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LEGISLATIVE HISTORY

Public Law 92--81st Congress

Chapter 185--1st Session

H. R. 3005

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DIGEST OF PUBLIC LAW 92

TRAVEL EXPENSE ACT OF 1949. Repeals the Subsistence Expense Act of 1926 and the Auto Mileage Act of 1931. Increases to \$9 the maximum per diem travel allowance for officers and employees of the Government; increases the mileage allowance on privately owned motorcycles to 4¢ per mile and on privately owned automobiles to 7¢ per mile, either for local driving at the employee's station or for trips away from that point; authorizes advance of funds for travel, with authority to recover such advances by deductions from salary due, retirement credit, or otherwise; provides for the Budget Bureau to establish rates for travel beyond the continental U. S. and to promulgate regulations under the act; makes the effective date July 1, 1949.

January 5, 1949	H. R. 828 was introduced by Rep. Dawson and was referred to the House Committee on Expenditures in the Executive Depts. Print of the bill as introduced. (Similar bill).
January 13, 1949	S. 352 was introduced by Senator McClellan and was referred to the Senate Committee on Expenditures in the Executive Departments. Print of the bill as introduced. (Companion bill).
February 24, 1949	H. R. 3005 was introduced by Rep. Karsten and was referred to the House Committee on Expenditures in the Executive Departments. Print of the bill as introduced.
March 18, 1949	Hearings: House, H. R. 3005.
April 5, 1949	House Committee reported H. R. 3005 with amendments. House Report 389. Print of the bill as reported.
May 5, 1949	House Rules Committee reported H. Res. 205 for the consideration of H. R. 3005. House Report 519. Print of the Resolution.
May 10, 1949	House debated and passed H. R. 3005 as reported.
May 11, 1949	Print of H. R. 3005 as referred to the Senate Committee on Expenditures in the Executive Departments.
May 27, 1949	Senate Committee reported H. R. 3005 with amendments. Senate Report 428. Print of the bill as reported.
June 2, 1949	Senate debated and passed H. R. 3005 as reported.
June 6, 1949	House agreed to the Senate amendments.
June 9, 1949	Approved. Public Law 92.

81ST CONGRESS
1ST SESSION

H. R. 828

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1949

Mr. DAWSON introduced the following bill; which was referred to the Committee on Expenditures in the Executive Departments

A BILL

To regulate subsistence expenses of officers and employees in the executive branch of the Government while absent from their designated posts of duty on official business.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Subsistence Expense Act of 1926, as amended,
4 is repealed and that this Act may be cited as the "Sub-
5 sistence Expense Act of 1949".

6 SEC. 2. When used in this Act—

7 (1) The term "departments and establishments" means
8 any executive department, independent commission, board,
9 bureau, office, agency, or other establishment of the Gov-
10 ernment, including wholly owned Government corpora-



1 tions and the municipal government of the District of
2 Columbia.

3 (2) The term "subsistence" means lodging, meals, and
4 other necessary expenses incidental to the personal suste-
5 nance or comfort of the traveler.

6 (3) The term "actual expenses" means the actual
7 amounts necessarily expended by the traveler for subsistence.

8 (4) The term "per diem allowance" means a daily
9 flat rate of payment in lieu of actual expenses.

10 SEC. 3. Civilian officers and employees of the depart-
11 ments and establishments, while traveling on official business
12 and away from their designated posts of duty, shall be
13 allowed, in lieu of their actual expenses for subsistence and
14 all fees or tips to porters and stewards, a per diem allowance
15 at a rate not to exceed \$10 within the limits of the con-
16 tinental United States and in case of travel beyond the limits
17 of the continental United States not to exceed rates to be
18 established by the Director of the Budget under authority of
19 this section. Such allowances shall be uniform for all officers
20 and employees of the departments and establishments, and
21 shall be established by the Director of the Bureau of the
22 Budget after giving due consideration to geographical loca-
23 tion and cost-of-living studies and to type of work of the
24 traveler and conditions under which the traveler operates.

25 SEC. 4. The fixing and payment, under section 3 of this

1 Act, of per diem allowances, or portions thereof, shall be in
2 accordance with regulations which shall be promulgated by
3 the Director of the Bureau of the Budget.

4 SEC. 5. The heads of departments and establishments
5 may advance through the proper disbursing officers to any
6 person entitled to per diem allowances under this Act such
7 sums as may be deemed advisable considering the character
8 and probable duration of the travel to be performed. Any
9 sums so advanced and not used for allowable travel expense
10 shall be recoverable by set-off of salary due, retirement credit,
11 or otherwise, from the person to whom advanced, or his
12 estate, by deduction from any amount due from the United
13 States or by such other legal method of recovery as may be
14 necessary.

15 SEC. 6. This Act shall not be construed to modify or
16 repeal any Act providing for the traveling expenses of the
17 President of the United States.

18 SEC. 7. All Acts, general or special, which are incon-
19 sistent with or in conflict with the provisions of this Act
20 (except such Acts or parts of Acts as specifically fix or
21 now permit rates higher than the maximum rates estab-
22 lished under this Act) are hereby repealed or modified but
23 only to the extent of inconsistency or conflict with the pro-
24 visions of this Act.

25 SEC. 8. Wherever provision is made in any law for the

1 payment of per diem allowances to officers and employees
2 in any branch or establishment of the Government not cov-
3 ered by this Act, in accordance with the rates provided in
4 the Subsistence Expense Act of 1926, such law is hereby
5 amended to provide for payment at the rates prescribed
6 in or under this Act.

7 SEC. 9. Nothing in this Act shall be construed to au-
8 thorize any department or establishment to exceed its appro-
9 priation for subsistence expense in any fiscal year.

10 SEC. 10. This Act shall take effect upon the expiration
11 of ninety days after the date of its enactment.

A BILL

To regulate subsistence expenses of officers and employees in the executive branch of the Government while absent from their designated posts of duty on official business.

By Mr. Dawson

JANUARY 5, 1949

Referred to the Committee on Expenditures in the
Executive Departments

81ST CONGRESS
1ST SESSION

S. 352

IN THE SENATE OF THE UNITED STATES

JANUARY 13, 1949

Mr. McCLELLAN introduced the following bill; which was read twice and referred to the Committee on Expenditures in the Executive Departments

A BILL

To regulate subsistence expenses of civilian officers and employees in the executive branch of the Government while absent from their designated posts of duty on official business.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Subsistence Expense Act of 1926, as amended, is
4 repealed and that this Act may be cited as the "Subsistence
5 Expense Act of 1949".

6 SEC. 2. When used in this Act—

7 (1) The term "departments and establishments" means
8 any executive department, independent commission, board,
9 bureau, office, agency, or other establishment of the Govern-

1 ment, including wholly owned Government corporations and
2 the municipal government of the District of Columbia.

3 (2) The term "subsistence" means lodging, meals, and
4 other necessary expenses incidental to the personal suste-
5 nance or comfort of the traveler.

6 (3) The term "actual expenses" means the actual
7 amounts necessarily expended by the traveler for subsistence.

8 (4) The term "per diem allowance" means a daily flat
9 rate of payment in lieu of actual expenses.

10 SEC. 3. Civilian officers and employees of the depart-
11 ments and establishments, while traveling on official busi-
12 ness and away from their designated posts of duty, shall be
13 allowed, in lieu of their actual expenses for subsistence and
14 all fees or tips to porters and stewards, a per diem allow-
15 ance at a rate not to exceed \$10 within the limits of the
16 continental United States and in case of travel beyond the
17 limits of the continental United States not to exceed rates to
18 be established by the Director of the Budget under authority
19 of this section. Such allowances shall so far as practicable
20 be uniform for all officers and employees of the departments
21 and establishments, and shall be established by the Director
22 of the Bureau of the Budget after giving due consideration
23 to geographical location and cost of living studies and to type
24 of work of the traveler and conditions under which the
25 traveler operates but the departments and establishments

1 may in particular circumstances provide in the travel orders
2 for no per diem, or for a reduced per diem.

3 SEC. 4. The fixing and payment, under section 3 of this
4 Act, of per diem allowances, or portions thereof, shall be in
5 accordance with regulations which shall be promulgated
6 by the Director of the Bureau of the Budget.

7 SEC. 5. The heads of departments and establishments,
8 under regulations which shall be prescribed by the Secretary
9 of the Treasury for the protection of the United States, may
10 advance through the proper disbursing officers to any person
11 entitled to per diem allowances under this Act such sums
12 as may be deemed advisable considering the character and
13 probable duration of the travel to be performed. Any sums
14 so advanced and not used for allowable travel expense shall
15 be recovered from the person to whom advanced, or his
16 estate, by deduction from any amount due from the United
17 States or by such other legal method of recovery as may be
18 necessary.

19 SEC. 6. This Act shall not be construed to modify or
20 repeal any Act providing for the traveling expenses of the
21 President of the United States.

22 SEC. 7. All Acts, general or special, which are incon-
23 sistent with or in conflict with the provisions of this Act
24 (except such Acts or parts of Acts as specifically fix or now
25 permit rates higher than the maximum rates established

1 under this Act) are hereby repealed or modified but only
2 to the extent of inconsistency or conflict with the provisions
3 of this Act.

4 SEC. 8. Wherever provision is made in any law for the
5 payment of per diem allowances to officers and employees in
6 any branch or establishment of the Government not covered
7 by this Act, in accordance with the rates provided in the
8 Subsistence Expense Act of 1926, such law is hereby
9 amended to provide for payment at the rates prescribed in
10 or under this Act.

11 SEC. 9. Nothing in this Act shall be construed to au-
12 thorize any department or establishment to exceed its appro-
13 priation for subsistence expense in any fiscal year.

14 SEC. 10. This Act shall take effect upon the expiration
15 of ninety days after the date of its enactment.

A BILL

To regulate subsistence expenses of civilian officers and employees in the executive branch of the Government while absent from their designated posts of duty on official business.

By Mr. McCLELLAN

JANUARY 13, 1949

Read twice and referred to the Committee on
Expenditures in the Executive Departments

81ST CONGRESS
1ST SESSION

H. R. 3005

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1949

Mr. KARSTEN introduced the following bill; which was referred to the Committee on Expenditures in the Executive Departments

A BILL

To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Travel Expense Act of
4 1949".

5 SEC. 2. When used in this Act—

6 (1) The term "departments and establishments" means
7 (A) any executive department, independent commission,
8 board, bureau, office, agency, or other establishment in the
9 executive branch of the Government, including wholly owned
10 Government corporations and the municipal government of
11 the District of Columbia, and (B) any office, agency, or

1 other establishment in the legislative branch of the Govern-
2 ment (except Members of Congress and offices and com-
3 mittees of the Senate and the House of Representatives),
4 and (C) any office, agency, or other establishment in the
5 judicial branch of the Government.

6 (2) The term "subsistence" means lodging, meals, and
7 other necessary expenses incidental to the personal sustenance
8 or comfort of the traveler.

9 (3) The term "per diem allowance" means a daily flat
10 rate of payment in lieu of actual expenses.

11 SEC. 3. Civilian officers and employees of the depart-
12 ments and establishments (except justices and judges), while
13 traveling on official business and away from their designated
14 posts of duty, shall be allowed, in lieu of their actual ex-
15 penses for subsistence and all fees or tips to porters and
16 stewards, a per diem allowance to be prescribed by the de-
17 partment or establishment concerned, not to exceed the rate
18 of \$10 within the limits of the continental United States
19 and in case of travel beyond the limits of the continental
20 United States not to exceed rates established by the Director
21 of the Bureau of the Budget for the locality in which the
22 travel is performed.

23 SEC. 4. Civilian officers or employees of departments
24 and establishments or others rendering service to the Govern-
25 ment shall, under regulations prescribed by the Director of

1 the Bureau of the Budget, and whenever such mode of trans-
2 portation is authorized or approved as more advantageous
3 to the Government (except that no determination of ad-
4 vantage is required where payment on a mileage basis is
5 limited to the cost of travel by common carrier, including
6 per diem), be paid in lieu of actual expenses of transportation
7 not to exceed 4 cents per mile for the use of privately owned
8 motorcycles, or 7 cents per mile for the use of privately
9 owned automobiles or airplanes, when engaged on official
10 business within or outside their designated posts of duty or
11 places of service. In addition to the mileage allowances
12 provided for in this section, there may be allowed reimburse-
13 ment for the actual cost of ferry-fares, and bridge, road, and
14 tunnel tolls.

15 SEC. 5. The departments and establishments may ad-
16 vance, through the proper disbursing officers to any person
17 entitled to per diem or mileage allowances under this Act,
18 such sums as may be deemed advisable considering the char-
19 acter and probable duration of the travel to be performed.
20 Any sums so advanced and not used for allowable travel
21 expense shall be recoverable by set-off of salary due, retire-
22 ment credit, or otherwise, from the person to whom ad-
23 vanced, or his estate, by deduction from any amount due
24 from the United States, or by such other legal method of
25 recovery as may be necessary.

1 SEC. 6. The fixing and payment under this Act of travel
2 allowances, of advances and recovery thereof, and reimburse-
3 ment of travel expenses under the Act of March 3, 1875
4 (5 U. S. C. 73), shall be in accordance with regulations
5 which shall be promulgated by the Director of the Bureau
6 of the Budget.

7 SEC. 7. This Act shall not be construed to modify or
8 repeal any Act providing for the traveling expenses of the
9 President of the United States, President of the Senate, of
10 Senators, Representatives, Delegates, and Resident Com-
11 missioners.

12 SEC. 8. (a) The Subsistence Expense Act of 1926 and
13 the Auto Mileage Act of February 14, 1931, are repealed.
14 All Acts (other than the Act of March 3, 1875 (5 U. S. C.
15 73), and appropriation items for examination of estimates
16 in the field) providing for reimbursement of actual travel
17 or transportation expense; and all other Acts, general or
18 special, which are inconsistent with or in conflict with the
19 provisions of this Act (except such Acts or parts of Acts
20 as fix or permit rates higher than the maximum rates estab-
21 lished under this Act) are hereby modified, but only to
22 the extent of inconsistency or conflict with the provisions
23 of this Act: *Provided, however,* That Acts making appro-
24 priations for the fiscal years 1949 and 1950 (whether ap-
25 proved before or after the approval of this Act) which

1 authorize or permit, in either general or specific terms, the
2 payment of travel or transportation expenses without regard
3 to the Subsistence Expense Act of 1926, as amended, or
4 the Standardized Government Travel Regulations, shall be
5 construed to authorize payment of such expenses from the
6 appropriation concerned without regard to this Act.

7 (b) Wherever provision is made in any law for the
8 payment of per diem allowances to officers and employees
9 in any branch or establishment of the Government not
10 covered by this Act, in accordance with the rates provided
11 in the Subsistence Expense Act of 1926, such law is hereby
12 amended to provide for payment at the rates prescribed in
13 or under this Act.

14 SEC. 9. This Act shall take effect on the thirtieth day
15 after the date of its enactment.

A BILL

To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

By Mr. KARSTEN

FEBRUARY 24, 1949

Referred to the Committee on Expenditures in the
Executive Departments

REGULATING SUBSISTENCE EXPENSES AND MILEAGE
ALLOWANCES OF CIVILIAN OFFICERS AND EMPLOYEES
OF THE GOVERNMENT

APRIL 5, 1949.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

MR. DAWSON, from the Committee on Expenditures in the Executive
Departments, submitted the following

R E P O R T

[To accompany H. R. 3005]

The Committee on Expenditures in the Executive Departments to
whom was referred the bill (H. R. 3005) to regulate subsistence ex-
penses and mileage allowances of civilian officers and employees of the
Government, having considered the same, report favorably thereon
with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 2, line 18, strike out "\$10" and insert in lieu, "\$9".

MAXIMUM PER DIEM ALLOWANCE

The principal effect of the bill is to raise from \$6 to a maximum of
\$9 the per diem allowance to Government employees traveling on
official business away from their designated posts of duty.

Your committee feeling that an allowance of \$9 per day will prove
adequate in most cases, under normal travel conditions, therefore
amended the bill for that amount. It is believed to be a conservative
but fair figure for maximum allowable travel costs.

The \$9 per diem allowance provided for in the bill, as amended,
is not an absolute figure, but is a maximum which is to be allowed only
when the conditions of travel justify the expectation that it will be
required to reimburse the traveler for his actual out-of-pocket expenses.
Testimony before your committee indicated that it is the practice to
provide in travel orders for a per diem allowance below the maximum
whenever feasible, and the existing regulation requires that adminis-
trative officers exercise care to authorize only such per diem rates

(within the maximum fixed by law) as are justified by the nature of the travel in each instance.

RECOMMENDATIONS OF THE BUREAU OF THE BUDGET

A report was requested from the Bureau of the Budget on H. R. 3005 and that Department recommended favorable action on the \$10 per diem, the amount contained in the bill as introduced, based upon increased costs of subsistence items occurring since its prior survey made in the latter part of 1946. The Bureau reports that the principal item of increase is in cost of hotel accommodations, which rose sharply within a few months after price controls were removed in 1946 from an average of \$4.05 per day to an average of more than \$5.25. Prices of meals in hotels and restaurants and on trains have also increased, and records of the Bureau of Labor Statistics indicate rises of 8 percent and 9 percent, respectively, for laundry and dry-cleaning costs.

The recommendation of the Bureau of the Budget contemplated that a \$10 per diem allowance would be distributed approximately as follows: Hotel accommodations, \$5.25; meals, \$3.75; and incidental expenses, \$1. Under present regulations the traveler must provide under the head of "incidental expenses" all fees and tips to porters, stewards, waiters, etc., as well as laundry, dry cleaning, telegrams reserving further hotel accommodations, and local transportation within a city between his place of lodging and his duty station at the beginning and end of each day's work.

The Bureau of the Budget also submitted data indicating that the average amount paid by States for subsistence expenses is \$8.91 per day, upon the basis of a survey of State employment security agencies. Actual limitations established by the agencies vary from \$6.50 per day to \$14 per day with provision in some States that top officials may receive from \$1 to \$3 per day in excess of the rate provided for other employees. Of the figures included in this survey, slightly more than one-half were based upon State law or regulation, while others were established by agreement between the State agency and the Federal Bureau of Employment Security upon a showing that the rate requested by the State agency was not in excess of that paid in other agencies of the State concerned. The data submitted also indicates that the average cost of subsistence for employees in a representative group of 135 companies in 22 different industries is \$10.42 per day. (See charts in appendix, p. 13.)

In addition to testimony and data supplied by the Bureau of the Budget, your committee heard representatives of the Civil Service Commission, the Departments of Agriculture, Commerce, Interior, Justice, Labor, Post Office, and Treasury. The testimony of these witnesses contains numerous examples of actual cases in which employees, particularly those required to visit large cities under crowded conditions, actually have been required to spend amounts considerably in excess of \$10 per day for lodging and meals. Your committee also heard testimony from various employee unions to the same effect.

The testimony and supporting data presented served to demonstrate conclusively that the present maximum subsistence allowance of \$6 per day is substantially below the actual average cost to a traveler for

lodging, meals, and other necessary incidental expenses. It shows that the Federal Government does not provide reimbursement to its employees in proportion to that allowed State employees and those in private industry.

MILEAGE ALLOWANCE

Data furnished by the Bureau of the Budget in justification of the increase from 5 to 7 cents in mileage allowance for use of privately owned automobiles by employees on official business is based on the following: Bureau of the Budget study, 7.23 cents per mile; report of the American Automobile Association, based on data submitted by a firm of cost-accounting engineers, 8¼ cents per mile for a postwar car and just over 7 cents per mile for a prewar car; and average payments by State agencies of 6 cents (including a minimum of 4¼ cents and a maximum of 8 cents). Your committee feels that there is no question but that the 7-cent figure is required to adequately reimburse the traveler for expenses of operation of a privately owned automobile.

COST OF THE BILL

Data submitted by the Bureau of the Budget indicate that the maximum cost of the bill, as amended, would be \$52,800,000 per year, based upon total estimated cost for civilian travel of \$151,000,000 for the fiscal year 1949. Of that total, slightly more than 54 percent would be chargeable to the per diem for subsistence, or approximately \$40,800,000, while almost 20 percent or \$12,000,000 would be required for the increased automobile mileage allowance. Again, the estimate of \$52,800,000 is a maximum, and the actual expenditures under the bill would be less than the maximum to whatever extent travel orders authorize rates below the maximum.

Your committee was concerned over testimony to the effect that travelers frequently remain in one place for extended periods and draw the full per diem allowance each day for several months. It is understood, however, that the practice in many agencies is to reduce the per diem allowance periodically during an extended stay in one place, and the committee expects that this practice will be continued and extended under the increased maximum per diem provided for in H. R. 3005. It is expected that the Bureau of the Budget in drafting its regulations will require specific attention to this feature by administrative officers.

A significant feature of the bill is its comprehensiveness. At the present time the principal items of the bill, namely, per diem allowances, and mileage for use of privately owned automobiles are covered by separate general laws and by a variety of special laws, applicable to specified groups, which have produced unwarranted discriminations and inequities. It is believed that the embodiment in a single bill, as in H. R. 3005, of provisions covering subsistence, mileage for use of privately owned automobiles, and traveling expenses generally of Government officers and employees, together with the related factors of advance of funds and regulatory powers, constitutes a more realistic approach to the problems of official travel than taken heretofore and will not only serve to reduce the possibility of inequities but also should materially simplify the administration and audit of travel accounts.

FOREIGN PER DIEM RATES

The bill continues authority to allow higher rates of per diem for travel abroad. The committee recognizes the impracticability of setting a per diem rate ceiling for foreign travel and concurs in the statement in the Senate committee report on S. 544, Eightieth Congress, which contained a similar provision, that—

Due to fluctuating prices and international rates of exchange, it is impossible to establish flat rates which would for very long render justice to the traveler.

With respect to travel outside of the continental United States, section 4 of the act of August 2, 1946 (60 Stat. 808), provided that until June 30, 1948, when authorized in an appropriation or other act, money available for travel expenses could be paid, without regard to the Subsistence Expense Act of 1926, as amended, at a sum for per diem as determined by the head of the department concerned, but not to exceed the maximum fixed by Presidential regulations for the locality in which the travel was performed. The only available Government travel regulations (as amended, January 30, 1942) show the per diem for foreign travel to be \$7. The present rates vary from \$6 per day in countries such as Australia and Greenland to \$18 per day in countries such as Lithuania and Estonia.

EXPLANATION OF H. R. 3005 BY SECTIONS

Section 1. Short title.—"Travel Expense Act of 1949."

Section 2. Definitions, coverage, and exemptions.—This section defines the term "departments and establishments" as well as the terms "subsistence" and "per diem allowance" and specifies the exemptions from the provisions of the bill.

The bill embraces not only the executive branch of the Government (including the postal service), but the judicial and legislative branches as well. The inclusion of the judicial and legislative branches would assure uniformity in the Federal service with respect to reimbursement for travel expenses incurred. The coverage of judicial employees will operate in part to displace 28 United States Code 962, which empowers the Director of the Administrative Office of the United States Courts to promulgate regulations covering travel and subsistence expenses of officers and employees of the courts of the United States and of the Administrative Office of the United States Courts. Traveling expenses of justices and judges themselves will be controlled by the provisions of this bill, except section 3, below. The provisions of 28 United States Code 456, authorizing allowances of "necessary traveling expenses" to judges and justices will be modified to the extent to any inconsistency or conflict with the provisions of this bill. The Director of the Administrative Office of the United States Courts has expressed the view that the inclusion of judicial employees in this bill is most desirable. As for the legislative branch, Members of Congress and offices and committees of the Senate and House of Representatives are exempted from the bill.

Section 3. Per diem allowances.—The maximum per diem allowance for travel within the limits of the continental United States is to be raised from \$6 to \$9 in recognition of the substantial increase in subsistence costs since January 30, 1942, the date of the last amendment to the Subsistence Expense Act of 1926. It is to be noted that

the bill sets \$9 as a maximum only and does not require that it be allowed in all cases. The rate to be authorized in individual instances is for departmental determination, according to the circumstances, but in no event may it exceed the statutory maximum.

The bill would reenact present statutory language which has been held to require the bona fide designation of the true headquarters or post of duty, for service away from which a subsistence "per diem" can be paid. It does not permit the designation of a fictitious post of duty, at which no services are to be performed, solely for the purpose of paying a per diem. *Fidelity and Deposit Company of Maryland v. United States* ((CCA) 55 Fed. (2d) 100; 19 Comp. Gen. 347; 27 *id.* 657).

Justices and judges are exempted from this section of the bill and payment of subsistence expenses to them still will be controlled by the provision of 28 United States Code 456 authorizing allowances of "reasonable maintenance expenses actually incurred, not exceeding \$10 per day."

Section 4. Mileage.—The present law authorizes mileage to be paid for the use of a private car either for local driving at the employee's station or for trips away from that point. In the former case the maximum rate is 4 cents, and in the latter, 5 cents. This section of the bill would allow the same maximum rate in either case, and would raise the maximum rate to 7 cents. For private motorcycles, the proposed rate change is from 2 to 4 cents and for private airplanes from 5 to 7 cents. The 7-cent rate for auto travel restores the rate which was in effect under the original act of 1931, until its amendment in 1933. Also, it is consistent with Public Law 673, approved last June, which allows 7 cents per mile for the auto travel of United States marshals and their deputies, also Public Law 900 of July 3, 1948, which authorizes 7 cents mileage to rural mail carriers.

Mileage may not be allowed under the current law except where it be determined that the use of a private car, motorcycle, or airplane is more advantageous to the Government. That requirement is retained in the proposed legislation, except that a specific determination of advantage will not be required where payment on a mileage basis is limited to the cost of travel by common carrier.

Section 5. Travel advances.—Administrative officials have doubted their authority to attempt recovery by deduction from salary of travel advances not otherwise fully accounted for. Also, Treasury regulations under the present law require a bond in all cases in which a travel is made. It is felt that by perfecting the means of recovery of advances made, it will be possible to omit the bond requirement, under normal circumstances, with its accompanying burden on the employee who pays the premium.

Section 6. Regulations.—This section vests the Director of the Bureau of the Budget with authority to prescribe regulations covering mileage and per diem allowances, reimbursement of travel expenses, and travel advances, and recovery thereof. This will centralize that function, now performed in part by the Bureau (with the concurrence of the President) and in the Treasury (with respect to travel advances).

Reference in this section to the Travel Expense Act of 1875, which limits payment of travel expenses generally to the actual expenses incurred, is made solely for the purpose of dispelling any existing doubt as to the legality of coverage by regulation of travel expenses as a whole. It places no new duties upon the Bureau of the Budget.

Section 7. Travel acts not affected.—It is provided that the bill shall not modify or repeal any act providing for traveling expenses of the President of the United States, President of the Senate, of Senators, Representatives, Delegates, and Resident Commissioners. With respect to the President, the language is identical to that now contained in section 10 of the Subsistence Expense Act of 1926.

Section 8. Inconsistent acts repealed.—(a) The adoption of this section will repeal the Subsistence Expense Act of 1926, the Auto Mileage Act of 1931, and will modify all other acts, general or special, covering the type of expenses and allowances embraced by this bill, including those acts authorizing travel without regard to the Subsistence Expense Act of 1926 and/or the Standardized Government Travel Regulations, and those authorizing reimbursement of actual and necessary expenses, and those using similar language, except as noted below, but only to the extent of inconsistency or conflict with its provisions. A similar repeal clause is found in section 9 of the Subsistence Expense Act of 1926. However, appropriation items for examination of estimates in the field and inconsistent provisions now contained in appropriation acts for the fiscal year 1949, and any similar provisions which may be contained in appropriation acts presently being considered for the fiscal year 1950, will be retained. This will preserve certain existing exceptions to the general travel expense laws until the respective committees on appropriations shall have had an opportunity to consider whether such exceptions are necessary or desirable under those laws as changed in the bill. This section is not designed to disturb or affect certain special travel provisions of the Foreign Service Act of 1946 or section 1 of the Administrative Expense Act of 1946, Public Law 600.

(b) Section 8 (b) provides that the rates prescribed in this bill shall apply in those cases where the law now or hereafter authorizes payment of per diem allowances to officers and employees in any branch or establishment not covered by this act, in accordance with the rates provided in the Subsistence Expense Act of 1926.

Section 9. Effective date.—The effective date of the bill is postponed until the 30th day after its enactment for the purpose of allowing time for the promulgation of the regulations required thereunder.

Prior to 1932, the per diem allowance in lieu of expenses for subsistence was \$6 per day within the continental United States and \$7 per day beyond the continental limits. Subsistence Expense Act of 1926, sections 3, 6, 44 Stat. 689. The Economy Act of June 30, 1932, 47 Stat. 405, lowered these figures to \$5 and \$6, respectively. This reduction occurred at a time when economic conditions generally throughout the country had reduced the cost of living to a point where a permanent decrease in subsistence allowances was warranted. In 1942, by the act of January 30, 1942, 56 Stat. 39, the original figures were restored. In this connection, the Bureau of the Budget stated (as contained in H. Rept. No. 954 on H. R. 6220, 77th Cong., 2d sess. (1942) 2):

This permanent reduction of allowances now appears to be highly inequitable in the light of the very greatly increased living costs which have come about as a result of war conditions. The Bureau of the Budget has secured information from the Federal Security Agency, The Federal Works Agency, the Department of Labor, and numerous independent establishments which indicates that persons traveling on official business for the Government are meeting with increases in charges for hotel rooms which are, on an average, 25 percent higher than the rates

prevailing a year ago. In towns which are engaged in defense production, the rates are sometimes as much as 100 percent higher than a year ago. Furthermore, the cost of meals has increased from 20 to 25 percent.

With regard to the increased cost of living since the passage of the 1942 act, the statistics of the Bureau of Labor Statistics are relevant. These statistics include a figure popularly called the consumer cost-of-living index. This index is an all-items figure; that is, it represents a compound figure based on the wholesale commodities index and other similar separate indices for particular goods or services. The index is based upon the years 1935-39 as representing 100 percent. On this basis, the consumer's cost-of-living index for December 15, 1941, was given as 110.5 percent and for December 15, 1948, as 171.4 percent. This represents approximately a 55-percent increase in the cost of living since the end of 1941. The proposed \$9 figure for per diem is only slightly higher than a 55-percent increase of the present \$6 allowed, and thus correctly reflects the increased cost of living since the passage of the act of January 30, 1942.

Your committee feels that for the foregoing reasons H. R. 3005 should be enacted into law in order to relieve an inequity which has existed for several years.

Attached hereto and made a part of this report are reports from the Bureau of the Budget and the Comptroller General. The appendix contains supporting statements and exhibits.

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by this bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SEC. 1. [of the Subsistence Expense Act of 1926 (Act of June 3, 1926, 44 Stat. 688; 5 U. S. C. 821)] *To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.*

That this Act may be cited as the ["Subsistence Expense Act of 1926"].
"Travel Expense Act of 1949."

SEC. 2. When used in this Act—

(1) The term "departments and establishments" means (A) any executive department, independent commission, board, bureau, office, agency, or other establishment, including *wholly owned Government corporations and the municipal government of the District of Columbia* [], and (B) *any office, agency, or other establishment in the legislative branch of the Government (except Members of Congress and offices and committees of the Senate and the House of Representatives), and (C) any office, agency, or other establishment in the judicial branch of the Government.*

(2) The term "subsistence" means lodging, meals, and other necessary expenses incidental to the personal sustenance or comfort of the traveler.

["The term "actual expenses" means the actual amounts necessarily expended by the traveler for subsistence and itemized in accounts for reimbursement."]

(3) The term "per diem allowance" means a daily flat rate of payment in lieu of actual expenses.

SEC. 3. Civilian officers and employees of the departments and establishments (*except justices and judges*), while traveling on official business and away from their designated posts of duty, shall be allowed, in lieu of their actual expenses for subsistence and all fees or tips to porters and stewards, a per diem allowance to be prescribed by the [heads of the departments and establishments] *department or establishment concerned* [at a rate], not to exceed *the rate of \$9* [\$6] within the limits of the continental United States [], and [not to exceed an average of \$7 beyond the limits of the continental United States.] *in case of travel beyond the limits of the continental United States not to exceed rates established by the Director of the Bureau of the Budget for the locality in which the travel is performed.*

["Appropriations for the executive departments and independent establishments for the fiscal year 1949 available for travel expenses shall be available for the payment of per diem allowances in lieu of subsistence expenses without regard

to the Subsistence Expense Act of 1926, as amended (5 U. S. C. 821-833), to civilian officers and employees of such departments and establishments while traveling on official business outside the continental limits of the United States and away from their designated posts of duty: *Provided*, That the amount of such allowances shall be determined by the head of the department or independent establishment concerned or by such official as he may designate for the purpose, but shall, in no case, notwithstanding any other provision of law, exceed the maximum established by regulations prescribed by the President for the locality in which the travel is performed.]

SEC. 4. Civilian officers or employees of departments and establishments or others rendering service to the Government shall, under regulations prescribed by the [President, and unless otherwise provided in the appropriation concerned or other law,] *Director of the Bureau of the Budget*, and whenever such mode of transportation is authorized or approved as more advantageous to the Government (*except that no determination of advantage is required where payment on a mileage basis is limited to the cost of travel by common carrier, including per diem*, be paid in lieu of actual expenses of transportation not to exceed [2] 4 cents per mile for the use of privately owned motorcycles, or [5] 7 cents per mile for the use of privately owned automobiles or airplanes[, when engaged [in necessary travel] on official [trips from] business within or outside their designated posts of duty or places of service.], or 2 cents per mile for the use of privately owned motorcycles or 4 cents per mile for the use of privately owned automobiles when used on official business wholly within the limits of their official stations or places of service.) In addition to the mileage allowances provided for in this section, there may be allowed reimbursement for the actual cost of ferry fares, and bridge, road, and tunnel tolls.

SEC. [8] 5. The [heads of] departments and establishments [, under regulations which shall be prescribed by the Secretary of the Treasury for the protection of the United States,] may advance, through the proper disbursing officers [from applicable appropriations] to any person entitled to [actual expenses or] per diem or mileage allowances [allowance] under this Act, such sums as may be deemed advisable considering the character and probable duration of the travel to be performed. Any sums so advanced *and not used for allowable travel expense* shall be [recovered] *recoverable by set-off or salary due, retirement credit, or otherwise*, from the person to whom advanced, or his estate, by deduction from any amount due from the United States, or by such other legal method of recovery as may be necessary.

SEC. [7] 6. The fixing and payment [, under section 3, of per diem allowance, or portions thereof, shall be in accordance with regulations which shall be promulgated by the heads of departments and establishments and which shall be standardized as far as practicable and shall not be effective until approved by the President of the United States.] *under this Act of travel allowances, of advances and recovery thereof, and reimbursement of travel expenses under the Act of March 3, 1875 (5 U. S. C. 73), shall be in accordance with regulations which shall be promulgated by the Director of the Bureau of the Budget.*

SEC. [10] 7. This Act shall not be construed to modify or repeal [the] any Act providing for the traveling expenses of the President of the United States [or any Acts (including appropriations for the fiscal year 1927) specifically fixing or permitting mileage rates for travel and/or subsistence expenses.], *President of the Senate, of Senators, Representatives, Delegates, and Resident Commissioners.*

SEC. [9] 8. (a) *The Subsistence Expense Act of 1926 and the Auto Mileage Act of February 14, 1931, are repealed. All [laws or parts of laws] Acts (other than the Act of March 3, 1875, 5 U. S. C. 73), and appropriation items for reimbursement of actual travel or transportation expense; and all other Acts, general or special, which are inconsistent with or in conflict with the provisions of this Act (except such [laws] Acts or parts of [law] Acts as [specifically] fix or [now] permit rates higher than the maximum rates established [in] under this Act) are hereby [repealed or] modified, but only to the extent of [such] inconsistency or conflict[.] with the provisions of this Act: Provided, however, That Acts making appropriations for the fiscal years 1949 and 1950 (whether approved before or after the approval of this Act) which authorize or permit, in either general or specific terms, the payment of travel or transportation expenses without regard to the Subsistence Expense Act of 1926, as amended, or the Standardized Government Travel Regulations, shall be construed to authorize payment of such expenses from the appropriation concerned without regard to this Act.*

[SEC. 11] (b) *Wherever provision is made in any law for the payment of [This Act shall not be construed to modify or repeal the] per diem [travel] allowances [granted railway postal clerks, acting railway postal clerks, and substitute*

to railway postal clerks in section 7, title I, of the Act approved February 28, 1925 (Forty-third Statutes, p. 1062).] *to officers and employes in any branch or establishment of the Government not covered by this Act, in accordance with the rates provided in the Subsistence Expense Act of 1926, such law is hereby amended to provide for payment at the rates prescribed in or under this Act.*

SEC. [13] 9. This Act shall take effect on [July 1, 1926, but any increases deemed necessary to be made in the rates of actual expenses or per diem allowances under the authority of this Act shall not be authorized by heads of departments and establishments to the extent of incurring a deficiency in appropriations available for the payment thereof during the fiscal year 1927.] *the thirtieth day after the date of its enactment.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., March 17, 1949.

HON. WILLIAM L. DAWSON,
*Chairman, Committee on Expenditures in the Executive Departments,
House of Representatives, Washington 25, D. C.*

MY DEAR MR. DAWSON: This is in reply to the informal request of your committee for the views of the Bureau on H. R. 3005, a bill to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

As indicated by the short title provided for in section 1, the Travel Expense Act of 1949, the bill would bring together in one act various provisions now contained in separate laws providing for travel expenses of certain officers and employees of the Government. The coverage of the bill, as outlined in section 2, would include officers and employees of the executive, legislative, and judicial branches, as well as those of the municipal government of the District of Columbia. However, Members of Congress and officers and committees of the Senate and House of Representatives would be specifically excluded by section 2, and section 7 would provide that the act should not be construed to modify or repeal any act providing for travel expenses of the President of the United States, the President of the Senate, or Senators, Representatives, Delegates, and Resident Commissioners. Justice and judges, for whom per diem allowances are provided by other laws, would be excluded from the provisions of section 3.

Section 3 would raise from \$6 to \$10 the maximum amount which may be prescribed as a per diem allowance in lieu of actual expenses of subsistence of Government personnel traveling away from their designated posts of duty. As stated in the Bureau's letter of January 27, 1949, in response to your request for a report on H. R. 828, the desirability of an adjustment of subsistence allowances has become increasingly apparent and a maximum of \$10 per diem is believed to be fair and adequate in the light of current living costs. Section 3 of the bill embodies substantially the suggestions contained in the above-mentioned letter of January 27, 1949, regarding certain technical aspects of the allowance.

Section 4 would increase from 5 to 7 cents per mile the maximum allowance for use of privately owned automobiles or airplanes on official business, and would increase from 2 to 4 cents per mile the maximum rate for use of privately owned motoreycles. The principal feature of this section is the return to the 7-cent-per-mile rate for the use of privately owned automobiles which was originally established in 1931, but which was reduced to 5 cents in 1933. It seems obvious that present costs of operation justify a rate higher than was necessary in 1933, and the 7-cent rate is consistent with legislation enacted during the last Congress which fixed such a rate for the use of automobiles by United States marshals (Public Law 673, approved June 19, 1948) and rural mail carriers (Public Law 900, approved July 3, 1948). The 7-cent rate would apply to travel both within and without the limits of an employee's official station, thus removing the distinction which exists between the present rates for travel within the limits of an official station (4 cents per mile) and beyond the limits (5 cents per mile). The removal of the distinction is desirable inasmuch as it is not supported by any difference in operating costs to the employee.

Section 5 would permit advances to persons entitled to mileage or per diem allowances under the act. The provision that any such advances not used for allowable travel expenses should be recoverable by set-off against salary, retirement credit, or otherwise, presumably is intended to make unnecessary the furnishing of bond by employees to whom such advances are made. This section

would remove any doubt that adequate remedies are available to the United States for recovery of such advances, and the elimination of the requirement for a bond would do away with considerable unnecessary paper work and expense to the employees concerned. The section is sufficiently broad to permit the requiring of bonds in those few cases where a bond might be necessary or desirable.

Section 6 would provide for issuance of regulations by the Director of the Bureau of the Budget for the fixing and payment of travel allowances and advances under the bill, and for reimbursement of actual travel expenses under the act of March 3, 1875 (5 U. S. C. 73). This section would not increase the present duties of the Bureau of the Budget except with respect to the prescribing of regulations for advances, a function which is now in the Treasury Department. The centralization of authority to prescribe regulations for matters of this nature is believed to be desirable.

In general, it is believed that the rates provided for in H. R. 3005 are equitable, and that the technical features of the bill provide the basis for a constructive approach to the problem of consolidating and simplifying laws and regulations relating to reimbursement for official travel. Consequently, the Bureau of the Budget recommends favorable action on the bill.

As indicated in the Bureau's above-mentioned letter of January 27, 1949, appropriations for the fiscal year 1949 and budget estimates for the fiscal year 1950 were prepared on the basis of the present maximum of \$6 per diem for expenses in lieu of subsistence. Also, such appropriations and estimates were based on allowances of 4 cents and 5 cents per mile for travel by privately owned automobile within and without the limits of official stations. Since section 9 would make the bill effective on the thirtieth day after the date of its enactment, additional appropriations likely would be required for the current fiscal year if the bill were enacted before June 1949, and additional appropriations would be required for the fiscal year 1950 if the bill were enacted during the present session of the Congress.

Sincerely yours,

F. J. LAWTON, *Acting Director.*

COMPTROLLER GENERAL OF THE UNITED STATES,

Washington, March 2, 1949.

Hon. WILLIAM L. DAWSON,

*Chairman, Committee on Expenditures in the Executive Departments,
House of Representatives.*

MY DEAR MR. CHAIRMAN: In response to the informal request of your committee, there are set forth herein my comments on H. R. 3005, Eighty-first Congress, entitled "A bill to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government," which bill, *inter alia*, retains all of the essential and desirable provisions of H. R. 828 and S. 352, Eighty-first Congress, covering the same subject matter.

In my report of January 28, 1949, B-5019, to you, on H. R. 828, I suggested that several changes be made in that bill. The instant bill satisfies each of the objections expressed by me in the above-mentioned report, and, if enacted into law, will be a notable step forward in that it will to a great extent equalize the reimbursement rights of Government employees for traveling expenses incurred on official business. Accordingly, I recommend favorable consideration of the bill H. R. 3005.

A copy of General Accounting Office draft of explanation by sections for travel expense bill, H. R. 3005, is enclosed herewith in accordance with your committee's informal request.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

GENERAL ACCOUNTING OFFICE DRAFT OF EXPLANATION BY SECTIONS FOR
TRAVEL-EXPENSE BILL

Section 1. Short title.—"Travel Expense Act of 1949."

Section 2. Definitions, coverage, and exemptions.—This section defines the term "departments and establishments" as well as the terms "subsistence" and "per diem allowance" and specifies the exemptions from the provisions of the bill.

The bill embraces not only the executive branch of the Government (including the postal service), but the judicial and legislative branches as well. The inclusion

of the judicial and legislative branches would assure uniformity in the Federal service with respect to reimbursement for travel expenses incurred. The coverage of Judicial employees will operate in part to displace 28 United States Code 962, which empowers the Director of the Administrative Office of the United States Courts to promulgate regulations covering travel and subsistence expenses of officers and employees of the courts of the United States and of the Administrative Office of the United States Courts. Traveling expenses of justices and judges themselves will be controlled by the provisions of this bill, except section 3 below. The provisions of 28 United States Code 456, authorizing allowances of "necessary traveling expenses" to judges and justices will be modified to the extent of any inconsistency or conflict with the provisions of this bill. The Director of the Administrative Office of the United States Courts has expressed the view that the inclusion of judicial employees in this bill is most desirable. As for the legislative branch, Members of Congress and offices and committees of the Senate and House of Representatives are exempted from the bill.

Section 3. Per diem allowances.—The maximum per diem allowance for travel within the limits of the continental United States is to be raised from \$6 to \$10 in recognition of the substantial increase in subsistence costs since January 30, 1942, the date of the last amendment to the Subsistence Expense Act of 1926. It is to be noted that the bill sets \$10 as a maximum only and does not require that it be allowed in all cases. The rate to be authorized in individual instances is for departmental determination, according to the circumstances, but in no event may it exceed the statutory maximum.

The bill would reenact present statutory language which has been held to require the bona fide designation of the true headquarters or post of duty, for service away from which a subsistence "per diem" can be paid. It does not permit the designation of a fictitious post of duty, at which no services are to be performed, solely for the purpose of paying a per diem. *Fidelity and Deposit Company of Maryland v. United States* ((CCA) 55 Fed. (2d) 100; 19 Comp. Gen. 347; 27 id. 657).

Justices and judges are exempted from this section of the bill, and payment of subsistence expenses to them still will be controlled by the provision of 28 U. S. C. 456 authorizing allowances of "reasonable maintenance expenses actually incurred, not exceeding \$10 per day."

Section 4. Mileage.—The present law authorizes mileage to be paid for the use of a private car either for local driving at the employee's station or for trips away from that point. In the former case the maximum rate is 4 cents, and in the latter, 5 cents. This section of the bill would allow the same maximum rate in either case, and would raise the maximum rate to 7 cents. For private motor-vehicles, the proposed rate change is from 2 to 4 cents and for private airplanes from 5 to 7 cents. The 7-cent rate for auto travel restores the rate which was in effect under the original act of 1931, until its amendment in 1933. Also, it is consistent with Public Law 673, approved last June, which allows 7 cents per mile for the auto travel of United States marshals and their deputies, also Public Law 900 of July 3, 1948, which authorizes 7-cent mileage to rural mail carriers.

Mileage may not be allowed under the current law except where it be determined that the use of a private car, motoreyele, or airplane is more advantageous to the Government. That requirement is retained in the proposed legislation, except that a specific determination of advantage will not be required where payment on a mileage basis is limited to the cost of travel by common carrier.

Section 5. Travel advances.—Administrative officials have doubted their authority to attempt recovery by deduction from salary of travel advances not otherwise fully accounted for. Also, Treasury regulations under the present law require a bond in all cases in which a travel advance is made. It is felt that by perfecting the means of recovery of advances made, it will be possible to omit the bond requirement, under normal circumstances, with its accompanying burden on the employee who pays the premium.

Section 6. Regulations.—This section vests the Director of the Bureau of the Budget with authority to prescribe regulations covering mileage and per diem allowances, reimbursement of travel expenses, and travel advances, and recovery thereof. This will centralize that function, now performed in part by the Bureau (with the concurrence of the President) and in the Treasury (with respect to travel advances).

Reference in this section to the Travel Expense Act of 1875, which limits payment of travel expenses generally to the actual expenses incurred, is made solely for the purpose of dispelling any existing doubt as to the legality of coverage by regulation of travel expenses as a whole. It places no new duties upon the Bureau of the Budget.

Section 7. Travel acts not affected.—It is provided that the bill shall not modify or repeal any act providing for traveling expenses of the President of the United States, President of the Senate, of Senators, Representatives, Delegates, and Resident Commissioners. With respect to the President, the language is identical to that now contained in section 10 of the Subsistence Expense Act of 1926.

Section 8. Inconsistent acts repealed.—(a) The adoption of this section will repeal the Subsistence Expense Act of 1926, the Auto Mileage Act of 1931, and will modify all other acts, general or special, covering the type of expenses and allowances embraced by this bill, but only to the extent of inconsistency or conflict with its provisions. A similar repeal clause is found in section 9 of the Subsistence Expense Act of 1926. However, appropriation items for examination of estimates in the field and inconsistent provisions now contained in appropriation acts for the fiscal year 1949, and any similar provisions which may be contained in appropriation acts presently being considered for the fiscal year 1950, will be retained. This will preserve certain existing exceptions to the general travel expense laws until the respective committees on appropriations have an opportunity to consider whether such exceptions are necessary or desirable under those laws as changed in the bill. This section is not designed to disturb or affect certain special travel provisions of the Foreign Service Act of 1946 or section 1 of the Administrative Expense Act of 1946, Public Law 600.

(b) Section 8 (b) provides that the rates prescribed in this bill shall apply in those cases where the law now or hereafter authorizes payment of per diem allowances to officers and employees in any branch or establishment not covered by this act, in accordance with the rates provided in the Subsistence Expense Act of 1926.

Section 9. Effective date.—The effective date of the bill is postponed until the 30th day after its enactment for the purpose of allowing time for the promulgation of the regulations required thereunder.

APPENDIX

This teletype message was received by the American Hotel Association March 16, 1949:

MARCH 17, 1949.

Harris, Kerr, Forster & Co., states that the 1948 room average rate based on over 300 hotels will be approximately \$5.60 per room.

Horwath & Horwath states their trend study shows average of \$5.27 per room. Larger metropolitan hotels in New York City, Boston, Chicago, etc., averaging over \$6.

Allowing for factor of double occupancy, Harris, Kerr, Forster recommends basis for single rate of not less than \$5 even and feels that between \$5 and \$5.50 would be a reasonable allowance for single room.

It must be remembered that allowances at hearings are being fixed for 1949 and the future and some upward adjustments in hotel rates is still likely. Therefore the allowance rate should take this factor into account.

Harris, Kerr, Forster and Horwath & Horwath both agree on this last paragraph.

EXHIBIT A.—State Employment Security Agency maximum per diem or subsistence rates for interstate travel

State	Existing maximum rates		Basis for establishing rate
	Actual expense	Per diem	
Alabama:			
Others.....	\$9.00	-----	} Agreement.
Director.....	10.00	-----	
Alaska.....	-----	\$10	} State statute.
Arizona.....	10.00	-----	
Arkansas:			
Others.....	9.00	-----	} Agreement.
Administrator.....	10.00	-----	
California:			
Others.....	11.00	-----	} State board of control rules.
Commission members.....	12.00	14	
Colorado:			
Others.....	9.00	-----	} Agreement.
Administrative head.....	10.00	-----	
Connecticut.....	8.00	-----	} State rules.
Delaware.....	10.00	6	
Florida.....	10.00	-----	} Agreement.
Georgia:			
Others.....	9.00	-----	} Agreement.
Administrative head.....	10.00	-----	
Hawaii.....	-----	10	} State statute.
Idaho:			
Others.....	-----	9	} Agreement—based on Attorney General's opinion.
Administrative head.....	-----	10	
Illinois.....	6.60	-----	} Rules of State Department of Finance.
Indiana.....	-----	9	
Iowa:			
Within Regulation VII.....	7.00	-----	} Agreement.
Outside Regulation VII.....	9.00	-----	
Kansas:			
Others.....	9.00	-----	} Do.
Executive director ¹	-----	-----	
Kentucky.....	9.00	-----	} Do.
Louisiana.....	6.50	-----	
Maine.....	9.00	-----	} State rules.
Maryland.....	9.00	-----	
Massachusetts.....	11.75	-----	} Agreement (a recent order of the Governor and council allows \$8 for hotels on out-of-State travel).
Michigan:			
Executives.....	10.90	-----	} Rules of State comptroller.
Others.....	8.25	-----	
			} Based on statement furnished by Budget Commission as to State-wide limitation.

¹ Amounts in excess of \$9 paid from special fund.

EXHIBIT A.—*State Employment Security Agency maximum per diem or subsistence rates for interstate travel—Continued*

State	Existing maximum rates		Basis for establishing rate
	Actual expense	Per diem	
Minnesota:			} Agreement—State rules of department of administration allow \$5.50 a day for meals—silent on allowance for lodgings.
Others.....	9.00	-----	
Administrative head.....	10.00	-----	
Mississippi:			} Agreement.
Others.....	-----	8	
Executive director.....	-----	9	
Missouri:			} Agreement.
Director or his representative.....	10.00	-----	
Others.....	8.00	-----	
Montana.....	7.00	-----	State statute.
Nebraska:			} Agreement.
Others.....	9.00	-----	
Administrative head.....	10.00	-----	
Nevada.....	-----	10	Rules of State board of examiners.
New Hampshire.....	9.00	-----	Agreement.
New Jersey.....	7.00	-----	Based on rules approved by Governor.
New Mexico:			} Agency actually has no limitation in its regulations but has stated it will pay amounts in excess of top limits specified in fiscal standard from Special Administration Fund.
Others.....	9.00	-----	
Administrative head.....	10.00	-----	
New York.....	9.50	-----	Rules of State comptroller.
North Carolina.....	3.00	-----	State statute.
North Dakota.....	7.00	-----	State rules.
Ohio:			} Agreement.
Others.....	9.00	-----	
Executive Director.....	10.00	-----	
Oklahoma.....	-----	10	State statute.
Oregon.....	-----	9	State rules.
Pennsylvania.....	-----	2 9	Do.
Rhode Island.....	10.00	10	Rules of State department of finance.
South Carolina.....	10.00	-----	State statute.
South Dakota:			} Agreement.
Others.....	9.00	-----	
Administrator.....	10.00	-----	
Tennessee:			} Do.
Others.....	9.00	-----	
Commissioner.....	10.00	-----	
Texas.....	9.00	-----	Do.
Utah:			} Do.
Others.....	9.00	-----	
Executive Director.....	10.00	-----	
Vermont.....	9.00	-----	Do.
Virginia.....	8.00	-----	Do.
Washington.....	-----	8	State statute.
West Virginia:			} Agreement.
Others.....	9.00	-----	
Director.....	10.00	-----	
Wisconsin.....	9.00	-----	State rules.
Wyoming:			} State statute.
Others.....	-----	8	
Executive director and members of commission.....	-----	10	

² Average.

The average maximum amount allowed by the 50 States and Territories for subsistence of their employees, as indicated by the above-mentioned list, is \$8.91 per day. That figure does not include extra allowances which are provided, in 19 jurisdictions, for top officials, in amounts ranging from \$1 to \$3 in excess of the maximum established for other employees.

Information obtained from administrative regulations and travel orders, effective during the fiscal year 1948 for certain areas of the United States, shows that the following departments, agencies, establishments, and bureaus or other organizations within departments reduce the authorized rate of per diem in lieu of subsistence and/or limit the period for which the per diem may be paid

Organization	Area	Rate authorized and/or other limitation
Department of Agriculture: Plant Industry and Soils.....	Various.....	\$5; \$6 for 6 days, \$4.60 thereafter; \$6 for 5 days, \$2 thereafter, not to exceed 20 days; \$5.60 within a 100-mile radius; \$5 while traveling and \$4.60 for 2 weeks.
Forest Service.....	Region 1.....	\$4.
	Region 2.....	\$4.
	Region 4.....	\$4.40.
	Region 5.....	\$5; \$4.40; \$5 fire emergency, \$3 for travel, \$2 at Government camp.
	Region 6.....	\$4 and \$3.40.
	Region 8.....	\$4.40.
	Region 9.....	\$5.60.
	North Pacific Region.....	\$4.
	Deer Lodge National Forest.....	\$2.
	Pike National Forest.....	\$2.60.
Farmers Home Administration.....	Various.....	\$6 and \$5.
Federal Crop Insurance Corporation.....	do.....	\$6, \$5, and \$4.
Production and Marketing Administration.....	do.....	\$6 for first 30 days and \$5 for next 30 days; \$4 for travel wholly within a day.
	Tennessee, Kentucky, North Carolina, South Carolina, and Virginia.....	\$6 for 10 days, \$2 for the next 50 days and no per diem in excess of 60 days except by special authority.
	Wisconsin.....	\$5 for 30 days; \$4.50 for the second 30-day period; \$4 for the next 30-day period; \$3.50 for next 30-day period; and no per diem in excess of 120 days except by prior written authority.
	Tennessee, Kentucky, and Ohio.....	\$6 while traveling not to exceed 10 days at \$6 at any one point at any one time.
	Texas.....	\$6 for 30 days, no per diem allowed at any one time at any one place in excess of 30 days.
Soil Conservation Service.....	Various.....	\$6, \$5.60, \$5.40, \$5, \$4.60, and \$4.
Entomology and Plant Quarantine.....	do.....	\$3.60 for travel of less than 24 hours.
Agricultural and Industrial Chemistry.....	do.....	\$1 for each 6-hour period for travel less than 24 hours when lodging is not involved.
Dairy Industry.....	Georgia and Alabama.....	\$3 when departure and arrival are on the same day.
	Tennessee, Louisiana, North Dakota, and North Carolina.....	\$4; \$2 when departure and arrival are on the same day.
	Maryland, Pennsylvania, and Virginia.....	\$5; \$2 when departure and arrival are on the same day.
Commodity Exchange Authority.....	Various.....	\$6 for 60 days, no per diem thereafter except by special authority.
Human Nutrition and Home Economics.....	do.....	\$5; \$6, for first 30 days and \$3 for all other time not spent in traveling.
Office of Experiment Stations.....	Puerto Rico.....	\$7, authorized rate to be reduced according to locality, considering type of work and length of period of duty.
Office of Agricultural Research.....	Alaska.....	\$7, authorized rate to be reduced according to locality, considering type of work and length of duty.
Department of Commerce: Civil Aeronautics Administration.....	United States.....	\$6 for 60 days, \$5 for the next 30 days, and \$4.50 thereafter.
	Alaska and the Pacific.....	\$7 for 60 days, \$6 for the next 30 days, and \$5.50 thereafter.
Weather Bureau.....	Alaska.....	\$7 en route and for the first 15 days, \$4 thereafter; \$3 for travel by way of airplane or boat when berth and meals are included in price of ticket, otherwise \$6.

Organization	Area	Rate authorized and/or other limitation
Department of the Interior: Bureau of Mines-----	All areas-----	\$6 for trip of 24 hours or more; \$3 for trips of less than 24 hours, unless overnight travel is involved and no per diem for an absence between hours of 6 a. m. and 6 p. m.; \$6 for 30 days unless extended by specific authorization.
Fish and Wildlife Service-----	Regions 1, 2, 3, 4, 5, and 6.	\$6 except that \$3 will be allowed for travel of less than 24 hours where no lodging is involved.
Geological Survey-----	Various-----	\$5.50, \$4, and \$3.50.
Office of Indian Affairs-----	do-----	\$6 and \$3.50 when Government quarters are occupied.
Federal Security Agency: Food and Drug Administration.	Eastern, central, and western districts. New Orleans-----	\$6 or lower as authorized by district or station chief; \$5; \$4. \$6 and \$4 for absence of less than 24 hours.
Federal Works Agency: Public Roads Administration.	Authorizations issued in Washington, D. C., Kansas City, Mo., Denver, Colo., Portland, Oreg., and San Francisco, Calif.	\$6 except that \$1 will be paid for trips in excess of 10 hours providing overnight travel is not involved.
General Accounting Office-----	Various-----	\$6 for each of first 90 days; \$5 for next 30 days; \$4 for next 30 days; \$3 for next 30 days.
National Housing Agency: Federal Housing Administration.	do-----	No per diem when departing and returning on the same day, no per diem when place of duty can be reached within 1 hour by common carrier.

STATEMENT OF REPRESENTATIVE RUSSELL V. MACK, THIRD WASHINGTON DISTRICT, ON H. R. 3005, MADE BEFORE EXPENDITURES OF THE EXECUTIVE DEPARTMENT COMMITTEE

I favor H. R. 3005 because the present \$6 a day allowed Federal Government workers for subsistence while traveling on official business is entirely inadequate and unrealistic in the light of present-day travel costs.

A Government executive worker, who travels a good deal on Government business, told me recently that he spent for hotel rooms, meals, and out-of-pocket travel expenses during 1948, about \$900 more than he received back from his \$6 a day subsistence allowance. We cannot expect to retain competent help in the Government if we continue this imposition upon them.

Every Member of Congress knows that no one, while traveling, can live at even second- or third-class hotels nowadays on \$6 a day.

Furthermore, the present law allows internal-revenue collectors and other Federal employees who use their own automobiles when traveling on public business only 4 cents a mile when traveling within their posts of duty and 5 cents a mile when traveling outside their posts.

This 4- and 5-cent allowance for use of a car is substantially that allowed private employees by most private businesses. It is totally inadequate to meet the costs of gas and oil, insurance, storage, and upkeep on the Federal employee's car, to say nothing of depreciation on it.

STATEMENT OF LUTHER C. STEWARD, PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. Chairman and members of the committee, I am appearing in support of H. R. 3005, a bill introduced by Representative Karsten to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

This is a comprehensive proposal covering as it does the allowances in lieu of subsistence for civilian officers and employees while in travel status; the adjustment of mileage allowances of privately owned vehicles used by civilian officers and employees in travel status and a provision for advancement of funds in anticipation of official travel with the necessary safeguards as to recovery of unexpended portions of such advanced funds.

The need for this legislation is overwhelming. One has only to recall their own personal experiences to convince one's self beyond per adventure of a doubt that the existing \$6 per diem for civilian officers and employees in travel status is so woefully inadequate as to compel expenditure of personal funds by every civilian officer and employees in travel status, which is in effect, not only a reduction in salary, but puts the employer—the Government of the United States—in the position of expecting its employees while engaged in its official business to carry as a personal obligation a portion of the expenses. A more unfair or absurd situation can hardly be imagined.

Increasing the mileage allowances for privately owned vehicles used by civilian officers and employees in travel status is equally necessary. This use of such privately owned transportation is in the interest of the Government, and again the unfairness of such an individual civilian officer or employee to bear a portion of the cost load is indefensible.

Even with the rates proposed in H. R. 3005, civilian officers and employees to stay within \$10 a day will have to exercise care and prudence and confine themselves to second-class hotels and modest eating places. It would seem unnecessary to labor the point or to offer detailed figures to support the rates proposed in H. R. 3005. Conditions speak for themselves and in order to put itself into a position where it is no longer abusing its civilian officers and employees in travel status by requiring personal expenditures from them while engaged in Government business, this bill should be promptly enacted into law.

STATEMENT OF ROBERT E. McLAUGHLIN, WASHINGTON COUNSEL, NATIONAL ASSOCIATION OF STOREKEEPER-GAUGERS

My name is Robert McLaughlin of 805 G Street NW., of this city. I am Washington counsel for the National Association of Storekeeper-Gaugers, who are all field employees of the Alcohol Tax Unit of the Treasury Department. This association has a membership approximating about 50 percent of the eligible employees of their vocation; and their civil service classifications range from CAF-6 to CAF-11.

During the past year an investigation and hearings were held by the Civil Service Commission which demonstrated that a great majority of the 1,400 gaugers were underclassified, and they are being raised into the above grades effective April 1.

The most critical problem of this group, until recently, was pay. That has been substantially improved. But the problem that has always run it a close second is per diem and attendant items incident to travel and duties away from home.

As demonstrated by treatment of some members of this group, a serious need in this type of legislation is standardization. There is too great a diversity in the standards followed by the various bureaus and agencies. Some agencies always favor the working conditions of their employees as much as possible within the clear meaning of the laws and regulations; whereas others habitually inflict upon their workers arbitrary actions which are detrimental to their financial and moral positions. Travel orders under which per diem is paid are sometimes minimized by brief transfers of permanent posts of duty (for periods as short as about 30 days), as a punishment or to express disfavor with an employee. Particularly indefinite assignments (which might range from a few days to 6 months) are he'd over the heads of a whole division of employees, under circumstances where the employees selected cannot possibly move their families—even if houses were available—yet without per diem, except for the time actually in transportation between regular post of duty and interim location.

These are vicious instrumentalities in the hands of some bureaucrats. They should be regulated as far as possible by law. In this way much can be added to the stability and efficiency of our civil servants. The helpless, and frequently underpaid, employee should not be submitted to bureau rulings of clever young lieutenants who are eager to ingratiate their superiors by saving a few precious dollars on out-of-the-way assignments which are made for the convenience of the bureau and at the expense of the employee and his family.

Another unfair angle of this same proposition is the fact that the employee not only does not receive his per diem allowance for these relatively short periods of duty; but it is maintained that by this same change of post of duty (whether for saving per diem, or other bureau purpose or convenience) the employee's

"home" is technically transferred and he is denied the right of deducting from his income tax the extra expenses of maintaining his necessary second place of abode. Perhaps a district court would not agree; but the Bureau of Internal Revenue has ruled that these employees may not deduct such expenses.

Furthermore, although the terms of H. R. 3005 are regarded as wholly adequate as to amount of per diem and mileage reimbursement, and it is obviously the intent of the committee that justice be done in these matters, would it not be wise to assure that equal treatment be accorded all employees under the terms of the act by designating the exact amounts and conditions involved and eradicate spite and favoritism in this connection as elements in the efficiency and morale of our Government employees? These conditions have recently—or do yet—exist; they can still be reverted to under this bill in its present form; and only the Congress can assure their discontinuance.

STATEMENT OF CONGRESSMAN HUGH B. MITCHELL OF WASHINGTON BEFORE THE
HOUSE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS ON
H. R. 3005

Gentlemen of the committee, I appreciate this opportunity to make a few observations in support of increased travel allowances for our Government workers. Present payments of \$6 a day and 5 cents a mile are totally inadequate, as any analysis of the facts will conclusively show. Those Government employees who must travel on the job are digging into their own pockets and cutting down their too-meager incomes to do necessary work for the Government.

Increased travel allowances are a small part, but an important part, of the wage and salary adjustments that should be made to enable our Government workers to meet the present high costs of daily living. For the individual worker and his family, salary adjustment is a "bread and butter" necessity. For the Government it is a necessary means of acquiring and retaining skilled and trained personnel to carry on the biggest and the most important enterprise in the world.

A per diem allowance not to exceed \$10 within the limits of the continental United States, as provided in H. R. 3005, is a realistic figure in the light of present costs. A decent hotel room and one square meal just about take up the present per diem allowance. For the other two meals, for tips, for newspapers, for coffee and the incidental expenditures which are very common since night work is often required while on the road, the proposed increase will properly make up the difference.

Traveling in Alaska requires special consideration because of the greatly increased prices for essentials in that Territory. Employees now traveling on official duties in Alaska suffer substantial loss of income. I assume that H. R. 3005 takes account of this problem by providing in section 3 for per diem rates to be established by the Director of the Budget Bureau in case of travel outside the limits of the continental United States. The National Association of Employees of Collectors of Internal Revenue, by resolution adopted at their 1948 convention in Oklahoma City, September 21 to 25, 1948, recommended that an additional \$3 per day be paid for travel in Alaska. An alternative method for per diem travel in Alaska has been suggested: The payment of actual costs on each trip, with provisions set by the proper Government agency for computing such costs.

From the information available to me, the provision in section 5 of H. R. 3005 for 7 cents per mile to be paid in the case of privately owned automobiles, is rather low. Mr. Cliff Mosby, president of local 30, National Association of Employees of Collectors of Internal Revenue, informs me that deputy collectors who travel for the Government in connection with the collection of Federal taxes are now paying costs of 10 cents per mile to own and maintain their cars. In part these are out-of-pocket costs because the deputy collectors are now paid 5 cents per mile for traveling outside their post of duty and 4 cents within their post of duty, using their own privately owned automobiles. I understand that last year the National Rural Letter Carriers' Association was given an increase to 7 cents per mile. Resolution 10 of the National Association of Employees of Collectors of Internal Revenue proposed the payment of 8 cents per mile for travel both inside and outside the city limits of posts of duty.

A study of the experience of National Labor Relations Board examiners in the Northwest (Washington, Oregon, Idaho, and Montana) shows that 8 cents per mile is a moderate estimate of automobile costs. This mileage cost was made up of the following:

	<i>Per mile</i>
Gas and oil	\$0. 02
Storage and parking 01
Depreciation 03½
Servicing and insurance 01½
Total 08

This mileage cost was based on an estimated car use of 12,000 miles per year on official business, although examiners using automobiles in the regions west of the Mississippi travel substantially more than 12,000 miles a year. The depreciation estimate was based on 20 percent of cost of 1948 or later models, set at \$2,000. Insurance was based on 1948 or later models having minimum legal liability coverage and \$50 deductible collision. For older automobiles, cost would be less but the difference would be made up by increased servicing and gas and oil costs. Automobiles used substantially more than 12,000 miles a year depreciate at a much greater rate, of course. In the Northwest, due to the amount of travel required on logging roads, etc., depreciation and servicing costs are enhanced. The above component estimate of \$0.02 per mile for gasoline and oil possibly is too low, in view of increasing prices for these items. Two cents is based on gasoline consumption of 15 miles to a gallon at \$0.28 a gallon and 350 miles for a quart of oil—including oil changes and filter changes.

It is my earnest hope that the Congress will do justice to our Government workers in the matter of salary increases. This committee can perform a valuable service in line with that objective by approving increased travel allowances to make up the loss of income suffered by those who must go from place to place to do the Nation's business.

UNITED STATES CUSTOMS COURT,
New York 14, March 10, 1949.

Hon. WILLIAM L. DAWSON,
Chairman, House Committee on Executive Expenditures,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: Chief Judge Webster J. Oliver, under date of March 8, has written you a letter expressing an interest in your bill, H. R. 828, and a wish that the bill be amended or extended to cover the court reporters of the United States Customs Court who are designated to attend with the judges the court's sessions at ports other than New York City.

Our court reporters have no option but must accept the assignments on all out-of-town circuits, and as a consequence they have been subjected to a heavy financial burden and hardship because of the necessary excess expenditures made by them over and above the regular per diem allowance of \$6 per day. I join with Judge Oliver in the hope that this important and necessary bill is speedily passed and that it will be amended to as to include officers and employees of this court necessarily absent from their official station on official business.

I understand that Hon. Henry P. Chandler, Director of the Administrative Office of the United States Courts has been in communication with you and also with Senator McClellan, and has called to your attention the omission of any provision for per diem in lieu of subsistence for judicial personnel. My informant did not know whether corrective action would be taken through the amendment of your bill, H. R. 828, or whether a separate bill would be introduced.

I would greatly appreciate your interest in this matter, and hope that the financial relief which is being granted civilian officers and employees of the executive departments and establishments can also be granted to the officers and employees of our court. I would appreciate any information that you can give me on the legislative condition of your bill and any possible amendments thereto, or other bills which may have been introduced covering the situation.

With warm personal regards, I am,
Yours very truly,

IRVIN C. MOLLISON.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS,
SUPREME COURT BUILDING,
Washington 13, D. C., March 17, 1949.

HON. WILLIAM L. DAWSON,
*Chairman, Committee on Expenditures in the Executive Departments,
House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN DAWSON: I am writing in behalf of the personnel of the Federal courts to urge favorable action by your committee upon the pending bill to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government (H. R. 3005). The Judicial Conference of the United States, consisting of the Chief Justice of the United States, Chairman, and the chief circuit judges of the 11 judicial circuits of the country, at its last annual meeting held in September 1948 recommended increases in the present provisions for reimbursement of personnel of the courts for expenses incurred for subsistence and for the use of privately owned automobiles while engaged in official travel. The pending bill conforms with the recommendations and if enacted will redress serious injustices in the present rates of reimbursement.

The present allowance for expenses of subsistence of officers and employees of the judicial establishment, other than judges, is a per diem sum of not to exceed \$6 within the limits of the continental United States (5 U. S. C. 823). In this the supporting personnel of the courts share with Government officers generally. The allowance for subsistence of Federal judges is presently fixed by section 456 of title 28 of the United States Code at their "reasonable maintenance expenses actually incurred, not exceeding \$10 per day." The rate of reimbursement to all personnel of the courts including judges, for the use of privately owned automobiles in official travel is fixed at not to exceed 5 cents a mile outside of their official stations, and 4 cents a mile within them (5 U. S. C. 73a).

The pending bill would assimilate the allowance for subsistence of officers and employees of the courts, other than judges, while engaged in official travel, to the similar allowance for other personnel of the Government as at present, but would increase it to "a per diem allowance to be prescribed by the department or establishment concerned, not to exceed the rate of \$10 within the limits of the continental United States and in case of travel beyond the limits of the continental United States not to exceed rates established by the Director of the Bureau of the Budget for the locality in which the travel is performed." The bill leaves the allowance for subsistence of judges in official travel to be separately provided for as at present, and another bill has been introduced and is pending (H. R. 2166) which would continue the present plan of reimbursement for subsistence of judges on the basis of their actual expenses, but would raise the maximum limit from \$10 to \$15 a day. The bill before your committee, H. R. 3005, would also raise the rate of reimbursement for the use of privately owned automobiles for official travel by all personnel of the courts, including judges, from 5 cents a mile as at present to 7 cents.

The increases in the rates for both subsistence and mileage for which the bill provides, have been urgently needed for a number of years. It needs no argument that \$6 a day, which is the rate prescribed by the present law (5 U. S. C. 823), is much below the cost of transient accommodations in many if not most places in this country at the present time. A suitable room in a hotel and modest meals cannot be procured in a large number of places in which the supporting personnel of the courts, including clerks and their deputies, secretaries and law clerks to judges, court reporters, and probation officers are called upon to stay within a limit of \$6 a day. Section 62b (1) of the Bankruptcy Act as amended allows to referees their actual expenses for lodging and subsistence not to exceed \$7 per day while in a travel status. But this amount, too, is insufficient in most places, and for the referees as for most other personnel of the Government, a flat allowance in an adequate amount, for which the pending bill provides, is needed.

There is equal necessity as a matter of justice for the increase in the mileage rate for the use of privately owned automobiles for official purposes provided for in the pending bill. The act fixing the present rate of 5 cents (47 Stat. 1516, 5 U. S. C. 73a) was enacted in 1933 when prices generally were on a low level. It is well known that since then the cost of operating automobiles has increased very much. The price of gasoline, the cost of amortization due to the sharp advance in the price of automobiles, which has almost doubled in recent years, the cost of replacements and repairs, and virtually all substantial elements of cost involved, have gone up very much. Court personnel who are limited to payment of 5 cents a mile, have a deficiency to make up out of their personal funds every time they use their automobiles for official travel. The court personnel who have occasion

to do this include many judges and clerks of court and their deputies, secretaries and law clerks of judges, court criers acting as bailiffs and messengers, court reporters, referees in bankruptcy, and probation officers.

The need of the supporting personnel of the courts, other than probation officers, occurs principally in districts in which terms of the district courts are held from time to time at a number of different locations. In such situations there would be much loss of time and energy in using common carriers. Frequently a number of officers travel together in one automobile for use of which only the officer who owns the car is reimbursed. Travel by automobile under these conditions makes for efficiency and results in a saving for the Government. Clearly the officers who use this method should be made whole for their expense.

The Federal probation officers use automobiles not only to attend terms of courts at which they have duties to perform as do other officers, but to make numerous calls upon persons in scattered locations whom they are supervising or whom they need to see in connection with their presentence investigations under criminal rule 32 (e) (1). Many probation officers have occasion to run their automobiles anywhere from 10,000 to 25,000 miles a year. The present rate of reimbursement, 5 cents, is conservatively believed to be 2 cents per mile below cost, and upon this basis such officers are required to contribute anywhere from \$200 to \$500 a year out of their salaries. This plainly is not just.

The present bill would correct the deficiency by raising the maximum rate of 7 cents. It also would do away with the distinction in the present law between travel outside of the official station and travel within it, for which a lower rate of only 4 cents is allowed. This is anomalous because travel within the official station on account of the numerous stops and starts involved, is obviously more expensive than travel outside. The pending bill corrects this.

I desire to express in behalf of the Judicial Conference and of the Federal courts my gratification that the personnel of the courts have been included with Government personnel generally in the relief which is proposed. If granted it will remedy what has been a glaring injustice and be very beneficial to the morale of the court service.

With kind regards, I am,
Sincerely yours,

HENRY P. CHANDLER.

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 11, 1949.

HON. WEBSTER J. OLIVER,
*Chief Judge, United States Customs Court,
201 Varick Street, New York, N. Y.*

MY DEAR JUDGE: Chairman Dawson of the House Committee on Executive Expenditures has referred to me your letter of March 8 in reference to legislation providing for an increase in subsistence expense of officers and employees of the Government.

This matter has been referred to the Subcommittee on Public Accounts and it is planned to hold hearings on it within the very near future. I am enclosing a copy of a bill I recently introduced on the subject and under the terms of this legislation employees of the judicial branch of the Government would be included.

I appreciate your letter and will bring your views to the attention of the subcommittee when the legislation is under consideration.

Sincerely yours,

FRANK M. KARSTEN,
Chairman, Subcommittee on Public Accounts.

UNITED STATES CUSTOMS COURT,
New York 14, March 8, 1949.

HON. WILLIAM L. DAWSON, M. C.,
*Chairman, House Committee on Executive Expenditures,
House Office Building, Washington, D. C.*

MY DEAR CONGRESSMAN: In connection with your bill H. R. 828, providing for increase of subsistence expenses of officers and employees in the executive branch of the Government while absent from their designated posts of duty on official business, we note that this bill contemplates increase of the per diem allowance under such conditions to not in excess of \$10 per day. The purpose of this

letter, which is sent you under the advice of my colleagues on this court, is for the purpose of requesting that this increased travel allowance be extended to cover the court reporters in the United States Customs Court when on official duty outside New York City.

Whenever our out-of-town circuits are held throughout the year a court reporter is designated to attend with the judge and an attorney from the office of the Assistant Attorney General in charge of Customs. The court reporters have no option but must accept the assignments and on every docket they are paying part of their expense out of their pocket, which is obviously improper and a great injustice to them. This is particularly so on the extended Pacific coast dockets, which run from Portland, Oreg., as far south as San Diego, and the Texas dockets, which start at New Orleans and run as far west as Laredo. It requires no extended argument to demonstrate that at the present per diem rate these reporters cannot pay the minimum hotel rates and eat three meals a day.

I hope this most necessary piece of legislation goes through and that it will be amended so as to include our court reporters, as requested above.

With kindest personal regards, I remain,

Sincerely yours,

WEBSTER J. OLIVER, *Chief Judge.*

FEDERAL EMPLOYEES UNION No. 3,
Milwaukee 7, Wis., March 12, 1949.

HON. ANDREW J. BIEMILLER,
House Office Building, Washington, D. C.

DEAR MR. BIEMILLER: Local No. 3 of the National Federation of Federal Employees, having a membership of approximately 1,300 Federal employees throughout the State of Wisconsin, adopted a resolution at a meeting last week to urge favorable action on the part of the Senators and Members of the House of Representatives from this State upon a bill which is presently in subcommittee providing for an increase in travel allowance for Federal officials and employees.

It has repeatedly come to the attention of Local No. 3 that at the present authorized per diem rate, officers and employees who are required to perform official travel must necessarily do so at considerable financial loss.

It was further resolved by Local No. 3 that in the event you should be so disposed, you kindly contact Mr. Karsten, chairman of the House subcommittee, which has charge of this proposed legislation, as well as Mr. Dawson, chairman of the House Committee on Expenditures in the Executive Departments, with a view to expediting favorable action.

Will you kindly advise as to your views concerning this matter so that Local No. 3 may inform its membership.

Sincerely yours,

GERALDINE A. KUCHARSKI,
Secretary, FEU No. 3.

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,
Washington 4, D. C., March 16, 1949.

HON. WILLIAM L. DAWSON,
*Chairman, Committee on Expenditures in the Executive Departments,
House of Representatives, Washington, D. C.*

DEAR MR. DAWSON: While you and I have never met formally, I have been keeping pretty close tabs on you; particularly your work in behalf of the United States Government employees and especially in behalf of H. R. 3005.

I think it is only fair to you and fair also to the American Federation of Government Employees that I write this commendation to you. I certainly trust and wish that you will continue to keep behind the bill, H. R. 3005, and see that it is reported to the House by the full committee.

I do not see how any fair-minded man or woman can oppose the passage of this bill. I have traveled and so have you, and we both know that generally speaking it will cost at least \$10 per day for subsistence and I oftentimes have to pay more.

This bill, as you know, has a green light from both the Budget Bureau and General Accounting Office and it was recorded by the United States Civil Service Commission and so far as I have heard it has the endorsement of every department and agency of the Government.

I trust that you will lay bare your mighty arm and see to it that the Committee on Expenditures in the Executive Departments in the House of Representatives reports this bill favorably to House.

Very sincerely,

J. G. YADEN,
National President.

BUREAU OF THE BUDGET,
Washington 25, D. C., March 17, 1949.

Hon. WILLIAM L. DAWSON,
*Chairman, Committee on Expenditures in the Executive Departments,
House of Representatives, Washington 25, D. C.*

MY DEAR MR. DAWSON: This is in reply to the informal request of your committee for the views of the Bureau on H. R. 3005, a bill to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

As indicated by the short title provided for in section 1, the "Travel Expense Act of 1949," the bill would bring together in one act various provisions now contained in separate laws providing for travel expenses of certain officers and employees of the Government. The coverage of the bill, as outlined in section 2, would include officers and employees of the executive, legislative, and judicial branches, as well as those of the municipal government of the District of Columbia. However, Members of Congress and officers and committees of the Senate and House of Representatives would be specifically excluded by section 2, and section 7 would provide that the act should not be construed to modify or repeal any act providing for travel expenses of the President of the United States, the President of the Senate, or Senators, Representatives, Delegates, and Resident Commissioners. Justices and judges, for whom per diem allowances are provided by other laws, would be excluded from the provisions of section 3.

Section 3 would raise from \$6 to \$10 the maximum amount which may be prescribed as a per diem allowance in lieu of actual expenses of subsistence of Government personnel traveling away from their designated posts of duty. As stated in the Bureau's letter of January 27, 1949, in response to your request for a report on H. R. 828, the desirability of an adjustment of subsistence allowances has become increasingly apparent and a maximum of \$10 per diem is believed to be fair and adequate in the light of current living costs. Section 3 of the bill embodies substantially the suggestions contained in the above-mentioned letter of January 27, 1949, regarding certain technical aspects of the allowance.

Section 4 would increase from 5 to 7 cents per mile the maximum allowance for use of privately owned automobiles or airplanes on official business, and would increase from 2 to 4 cents per mile the maximum rate for use of privately owned motoreyes. The principal feature of this section is the return to the 7-cent-per-mile rate for the use of privately owned automobiles which was originally established in 1931, but which was reduced to 5 cents in 1933. It seems obvious that present costs of operation justify a rate higher than was necessary in 1933, and the 7-cent rate is consistent with legislation enacted during the last Congress which fixed such a rate for the use of automobiles by United States marshals (Public Law 673, approved June 19, 1948) and rural mail carriers (Public Law 900, approved July 3, 1948). The 7-cent rate would apply to travel both within and without the limits of an employee's official station, thus removing the distinction which exists between the present rates for travel within the limits of an official station (4 cents per mile) and beyond the limits (5 cents per mile). The removal of the distinction is desirable inasmuch as it is not supported by any difference in operating costs to the employee.

Section 5 would permit advances to persons entitled to mileage or per diem allowances under the act. The provision that any such advances not used for allowable travel expenses should be recoverable by set-off against salary, retirement credit, or otherwise, presumably is intended to make unnecessary the furnishing of bond by employees to whom such advances are made. This section would remove any doubt that adequate remedies are available to the United States for recovery of such advances, and the elimination of the requirement for a bond would do away with considerable unnecessary paper work and expense to the employees concerned. The section is sufficiently broad to permit the requiring of bonds in those few cases where a bond might be necessary or desirable.

Section 6 would provide for issuance of regulations by the Director of the Bureau of the Budget for the fixing and payment of travel allowances and advances

under the bill, and for reimbursement of actual travel expenses under the Act of March 3, 1875 (5 U. S. C. 73). This section would not increase the present duties of the Bureau of the Budget except with respect to the prescribing of regulations for advances, a function which is now in the Treasury Department. The centralization of authority to prescribe regulations for matters of this nature is believed to be desirable.

In general, it is believed that the rates provided for in H. R. 3005 are equitable, and that the technical features of the bill provide the basis for a constructive approach to the problem of consolidating and simplifying laws and regulations relating to reimbursement for official travel. Consequently, the Bureau of the Budget recommends favorable action on the bill.

As indicated in the Bureau's above-mentioned letter of January 27, 1949, appropriations for the fiscal year 1949 and budget estimates for the fiscal year 1950 were prepared on the basis of the present maximum of \$6 per diem for expenses in lieu of subsistence. Also, such appropriations and estimates were based on allowances of 4 cents and 5 cents per mile for travel by privately owned automobile within and without the limits of official stations. Since section 9 would make the bill effective on the thirtieth day after the date of its enactment, additional appropriations likely would be required for the current fiscal year if the bill were enacted before June 1949, and additional appropriations would be required for the fiscal year 1950 if the bill were enacted during the present session of the Congress.

Sincerely yours,

F. J. LAWTON, *Acting Director.*

DATA SUBMITTED BY THE BUREAU OF THE BUDGET IN RESPONSE TO QUESTIONS
OF THE COMMITTEE DURING HEARINGS ON H. R. 3005

Per diem of \$10 in lieu of subsistence

The recommendation of the Bureau of the Budget for favorable action on H. R. 3005 is based—with respect to the \$10 per diem in lieu of subsistence—upon a survey made late in 1946, and a revision thereof which takes into account increases in living costs since that survey was made. The survey—a copy of which is attached—indicated that \$8 per day was a conservative maximum allowance for subsistence, based upon costs as follows:

Hotel.....	\$4. 05
Meals.....	3. 00
Tips, telegrams, laundry, local transportation.....	. 95
Total.....	8. 00

Since that survey was made, hotel costs have increased to an average of \$5.27 as indicated by a survey made in 1948 by Howarth & Howarth, or \$5.60 as indicated by a survey made by Harris, Kerr, Forster & Co. Both of these firms are hotel accountants, and the first-mentioned survey covers 142,759 hotel rooms. A copy of that survey was submitted to the committee at the hearing on March 18, 1949. The second survey was based on a study of more than 300 hotels.

The foregoing information was submitted by these accounting firms to the American Hotel Association on March 16, 1949, and a copy of the report to the association also was furnished to the committee on March 18. Based on this information, it appears that \$5.25 would be a conservative estimate of the average cost of hotel accommodations.

Reports from Government agencies, as indicated by testimony before the committee, have indicated a substantial rise in cost of meals since the survey was made in 1946. Such testimony shows that, particularly when a traveler encounters crowded conditions, allowances of \$0.75 for breakfast, \$1 for luncheon, and \$2 for dinner, or \$3.75 per day, are substantially below the average.

An allowance of \$5.25 for hotel accommodations and \$3.75 for meals would leave the traveler \$1 per day for incidental expenses such as tips, laundry or dry cleaning, telegrams, and local transportation. Since the traveler is required to furnish out of this amount transportation from his hotel or other lodging to his duty station and return to his hotel and telegrams reserving further hotel accommodations, the sum of \$1 per day for such items is obviously a conservative figure. Further, the Bureau of Labor Statistics, upon the basis of a study of prices in 34 large cities, has reported that laundry and dry cleaning costs increased 8 and 9 percent, respectively, between December 1946 and September 1948.

Upon the foregoing basis, the Bureau of the Budget's letter of March 17, 1949, stated that a \$10 per diem allowance was fair and equitable, comprised approximately as follows:

Hotel.....	\$5. 25
Meals.....	3. 75
Tips, laundry, telegrams, local transportation.....	1. 00
Total.....	10. 00

INFORMATION REQUESTED BY MR. LOVRE

A survey compiled by the Bureau of Employment Security in the Federal Security Agency, covering State employment security offices, establishes that these States agencies allow subsistence expenses ranging from \$6.50 per day in Louisiana to \$14 per day in California, with an average of \$9 to \$10. In the case of these agencies, the State is reimbursed by the Federal Government for the expenditure, but the rate is fixed either by law or by agreement made upon the basis of a showing by the State auditor or comptroller that the amount agreed upon is not in excess of the rate paid by other agencies in that State. A copy of this survey was submitted to the committee at the hearing on March 21.

A survey of costs in private industry, published in the July 1, 1948, issue of Sales Management, is based upon a study of 135 representative companies in 22 different industries. This study indicates that the average cost of maintaining an employee in a large city is \$11.75 per day, and in a small city, \$9.09, or an average of \$10.42 per day. These amounts are in addition to actual costs of tips, laundry, taxis, and telegraph and telephone. A copy of this survey is attached.

Automobile allowance of 7 cents per mile

The favorable recommendation in the Bureau of the Budget letter of March 17, 1949, with respect to the allowance of 7 cents per mile for the use of a privately owned automobile, is based upon three factors:

(1) A study made in the Bureau of the Budget in 1948 which shows an average cost of 7.23 cents per mile for a car operated for 12,000 miles per year.

(2) A report of the American Automobile Association, dated April 13, 1948, on a study by Runzheimer & Co., cost accountant engineers. This study indicates an average cost of 8¼ cents per mile for a postwar car driven 10,000 miles per year, and just over 7 cents per mile for a prewar car under the same conditions.

(3) A compilation of mileage rates by the Bureau of Employment Security, showing rates paid by State employment security agencies which reflects a maximum rate of 8 cents, a minimum of 4½ cents, and an average of 6 cents.

Copies of each of these three items are attached.

As stated in the Bureau's letter of March 17, 1949, the mileage section of the bill provides for a "return to the 7-cent-per-mile rate for the use of privately owned automobiles which was originally established in 1931, but which was reduced to 5 cents in 1933. It seems obvious that present costs of operation justify a rate higher than was necessary in 1933, and the 7-cent rate is consistent with legislation enacted during the last Congress which fixed such a rate for the use of automobiles by United States marshals (Public Law 673, approved June 19, 1948) and rural mail carriers (Public Law 900, approved July 3, 1948) * * *."

Use of maximum rates

Both the per diem and the mileage rates are maximum allowances, and administrative officers are expected to set appropriate rates within the maxima for individual cases.

In connection with the mileage rate for use of privately owned automobile, the conditions under which the employee travels have little effect upon cost of operation, and because of the increases in such costs the maximum in recent years has tended to become a flat rate. If costs of operation continue as at present, the 7-cent rate would also tend to become a flat rate. However, if such costs should decrease, administrative agencies would be expected to return to the prior practice of allowing less than the maximum where a lesser amount would adequately reimburse the employee.

In connection with the per diem rate for subsistence, testimony before the committee has indicated that per diem allowances are now fixed at rates which vary considerably below the maximum. For example, in the Department of

Agriculture during the fiscal year 1948, with a wide variety of travel conditions, rates varied as follows:

Per diem rate:	Percentage of travel orders
\$6.00-----	60.1
\$5.01 to \$5.99-----	14.5
\$4.01 to \$5.00-----	16.0
\$3.01 to \$4.00-----	3.7
\$0 to \$3.00-----	5.7

INFORMATION REQUESTED BY MR. BOLTON

There is presently no requirement in law or general regulations issued thereunder which limits the period for which a maximum per diem allowance may be paid. However, individual administrative agencies have sharply curtailed the allowances payable when a traveler stays in one place for an extended period. A tabulation prepared originally by the General Accounting Office and now in possession of the committee covers a representative group of Federal agencies, including the Departments of Agriculture, Commerce, and Interior, the Federal Security Agency, the Federal Works Agency, the General Accounting Office, and the National Housing Agency, and shows in detail the restrictions imposed by regulations of those agencies in 1948.

Estimate of cost of bill

Total travel cost for fiscal year 1949 (based on 1949 budget)-----	\$317, 000, 000
Less: Travel cost for military personnel-----	166, 000, 000
Total for civilian personnel-----	151, 000, 000
Estimated increase in cost of per diem and mileage allowance:	
Per diem cost 54.01 percent of \$151,000,000 × 66.7 percent--	54, 400, 000
Mileage allowance for auto travel 19.82 percent of \$151,000,000 × 40 percent-----	12, 000, 000
Total-----	66, 400, 000

The 54.01 percent for per diem and 19.82 percent for mileage allowance for auto travel represent the portion of total travel costs chargeable to these allowances. The information was developed by the General Accounting Office in an analysis of 10,256 vouchers.

The total cost of \$66,400,000 is high to whatever extent rates authorized by the agencies are below the full \$10 per diem and 7 cents per mile provided in the bill. Also, the additional appropriations required will be less than the adjusted total cost figure to whatever extent agencies absorb the increased cost.

INFORMATION REQUESTED BY MR. PFEIFFER

The principal reason why many agencies do not maintain a break-down of travel costs to show amounts relating to subsistence and amounts relating to transportation is that appropriations for these purposes are based on an over-all figure for travel, without reference to the component parts. For this reason, also, appropriation estimates ordinarily are made up without specific reference to the components, except in the case of new activities.

The consideration of appropriation estimates for travel are approached from two slightly different angles. For activities or functions which have been carried on for a considerable period of years, experience has shown that the cost for per diem and transportation averages a certain number of dollars per day. To determine the amount of travel funds to be included in the estimate, the approximate man-days of travel time required to accomplish the work are determined and multiplied by these average costs. The average cost per day may vary somewhat from time to time as public-carrier rates increase or a higher mileage rate for personally owned cars is authorized.

For a newly proposed or authorized activity or program, a detailed analysis is required of the organizational set-up and of the contemplated plan of operation—which employees will be required to travel, reasons for their travel, approximate days or percent of time in travel status, whether intra- or inter-county or State, percentage of rural travel, and other factors affecting the actual cost of per diem and transportation.

PROJECT COMPLETION REPORT—STUDY OF DOMESTIC PER DIEM TRAVEL ALLOWANCE (PROJECT No. 47-18)

ORIGIN AND PURPOSE

This project of reexamining the domestic per diem travel allowance had as its origin the recognition of current increases in cost of living, the increasing pressure from agencies to set higher rates, and a need felt within the Bureau itself that readjustment might be warranted in the present maximum per diem allowance of \$6 established by the Subsistence Expense Act of 1926, as amended by the act of January 30, 1942. The objectives of the project were defined as follows: "To determine if changes in the present rates are valid, to formulate a basis for computation of fair rates, and from time to time during the course of the project to make appropriate recommendations to Congress." This study was carried on during November and December 1946.

METHOD

A review was made of a prior study of per diem allowances under Project No. 83 for leads on sources of information on hotel and restaurant costs. Conferences with the Division of Statistical Standards disclosed other data on cost-of-living studies. To get a cross section of actual travel expenditures a form was designed on which the traveler could record his subsistence expenditures and give additional information on hotels, e. g., availability of rooms, time limits on occupancy, rates, etc. Copies of this form were completed by employees of several agencies in travel status during the latter part of November 1946. These employees were chosen from different salary ranges traveling in different parts of the country so that we could have a representative cross section of travel costs. The data from these forms was carefully analyzed and considered in connection with statistical material published by restaurant and hotel associations.¹

FINDINGS

Actual expense data were secured from travelers in the following agencies: Bureau of the Budget, Bureau of Labor Statistics, Justice, Social Security Board, Treasury, OSRD, and Post Office. We found that a group of 34 attorneys in Justice who travel intermittently average \$8.52 per day while a group of 87 BLS investigators, many of whom travel almost constantly average \$6.96 per day. One factor that causes this difference is that the experienced traveler knows where to find reasonably priced food and lodging. Another factor that must be taken into account is that the Federal employee who travels frequently can't afford to spend much more than \$6 per day even though this may force him to put up with substandard food and lodging. The travel regulations state that "Employees traveling on official business * * * are expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business." Comparisons with travelers in private industry are not conclusive as per diem allowances sometimes vary with the size of the city visited, sometimes with the organizational status of the individual, and an actual expense basis is sometimes used. For example, one company makes the following per diem allowance in accordance with the population of the city visited:

Up to 100,000 population	\$8. 00
100,000 to 500,000 population	9. 00
500,000 to 1,000,000 population	9. 50
1,000,000 and up population	11. 00

A recent survey made by the Dartnell Corp. of salesmen's traveling expenses shows that among the private industrial commercial concerns establishing limits on expenditures for lodging and meals the averages are:

Hotel	\$4. 22
Breakfast	. 83
Lunch	1. 08
Dinner	1. 91
Total	8. 04

¹ Trends in the Hotel Business, Harris, Kerr, Forster & Co.; Hotel Operations, Horwath & Horwath; Trend of Business in Hotels, Horwath & Horwath.

The average cost of a hotel room in 1942, when the \$6 per diem was established, was \$3.24. In 1945 it had risen to \$4.05, and is still rising. There is no figure to show the cost of three adequate restaurant meals in 1942 as compared with 1946, but estimates from the Restaurant Section, Food Price Division of OPA, were that restaurant prices rose 50 percent between January 1942 and October 1946 and could be expected to rise another 25 percent over the 1942 base by January 1947.

The increased costs of the other items covered by the travel allowance (tips, laundry, cleaning, etc.) are apparent but not easily calculable. For example, every traveler knows there is pressure for larger tips; because of the tight hotel situation, the traveler spends more money on telegrams reserving space than he did when hotel occupancy was 75 percent or less—it is now well over 90 percent.

RECOMMENDATION

That the maximum per diem allowance for domestic travel be increased from \$6 to \$8.

[From Sales Management, July 1, 1948]

COST OF KEEPING SALESMEN IN THE FIELD RISES 40-50 PERCENT SINCE 1939

A new survey reveals that average cost of operating a man in a large city is now \$11.75 per day; in a small city \$9.09. The findings suggest study of more selective selling, improved routing, and plans for getting men to make better use of their time.

The cost of keeping a salesman in the field is now at an all-time high.

In a new survey made during late May and early June among 135 representative companies in many industries, operating in all parts of the United States, Sales Management learned that the average cost of keeping a man on the job in a metropolitan center (exclusive of his transportation in and out), is now \$11.75 per day. This compares with a 1945 figure of \$10.82, and a pre-war (1939) figure of \$8.37. The increase since 1945 is 8.6 percent, since 1939, 40.3 percent.

The cost of keeping a man in a small city is now \$9.09 per day, compared with \$7.95 3 years ago, and \$5.99 in 1939. This increase since 1945 is 14.3 percent, since 1939, 51.7 percent.

Averages quoted here are based on all comparable returns from all companies participating in the survey; because of space limitations, not all reports are detailed in the accompanying table.

As usual, the editors caution subscribers to use judgment in the use of the figures and the tabular report. Naturally, the figures for a company whose men travel mostly in small cities will seem low; suitable allowances must be made also for disparities in the cost of living between various sections of the country.

The increase in reported costs of operating salesmen's automobiles is 8.4 percent. Average per mile now is \$0.0579, as compared with \$0.0534 in 1945. However, cost accounting on salesmen's automobiles in the majority of companies is exceedingly slipshod, and in reporting per-mile costs, many sales managers say they haven't made detailed calculations, are merely making a good guess.

Among the companies reporting, five use standard expense allowance plans. One in the building materials field allows a flat \$175 a month. One in drugs, \$55 a week; another, \$167.50 per month. One in the food field, \$42 a week; another, \$40-\$60 a week, depending on the territory.

About two-thirds of all the companies participating report that they are checking salesmen's expense accounts much more carefully now than during the war.

About two-thirds say their men are having some substantial amount of trouble obtaining hotel rooms at the price the company feels the men ought to pay. Nearly half complain that salesmen are being inconvenienced by early check-out rules in hotels, a hold-over from the war * * * "It spoils half a day's work," they say.

About tips: Substantially half of the companies set some limitation on the amount of money spent for tips * * * either in a dollar-figure per day or per week, or a percentage of total, or merely the rule of good judgment. A dozen or more tell Sales Management that this item must be kept in line through "periodic check-up and discussion." Smallest amount reported as allowed per day for tips was 40 cents; largest, \$4. Seven reported figures ranging from 50 cents to under \$1; 16 reported figures between \$1 and \$2. Six say 10 percent.

About entertainment: This item is being watched carefully, or specifically limited, by more than half the companies reporting. Many comments such as

"limited to good judgment," "must be itemized," "limited to lunches and drinks," and "we check carefully" appeared in the reports. Of those who limit the entertainment budget to a specific amount per week, 10 allow from \$2 to \$10; 11, from \$10 to \$20; 4, from \$20 to \$30; 1, \$45.

In the accompanying table the checks shown under railroad, pullman, and plane fares are academic in most instances, because salesmen travel mostly by car. However, in some cases the report covers not only salesmen, but supervisors, missionary men, promotion men, service men and others not assigned to a specific territory for routine coverage, where other-than-auto transportation is used and allowed as a legitimate expense. Travel by air is accepted now as a commonplace in most companies.

1948 survey of salesmen's expense account practices

Industry	Railroad fare	Pullman fare	Plane fare	Taxi	Valet	Laundry	Stenographer	Telephone	Tips (limited)	Entertainment (limited)	Maximum expense per day—big city	Maximum expense per day—small city	Auto allowance, or estimated expense per mile unless otherwise indicated
Auto parts and accessories:													
Company 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$10.00	\$8.00	\$0.05
Company 2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.00	9.00	12 35.00
Company 3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11.00	8.00	.05
Building materials and supplies:													
Company 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10.00	8.00	75.00
Company 2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15.00	12.00	to 90.00
Company 3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	8.50	7.00	.05
Company 4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10.00	8.00	to 3.00
Company 5	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.00	12.00	to 3.00
Company 6	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.50	9.50	.0364
Company 7	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7.50	6.50	25 27.50
Company 8	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10.00	7.00	2 80.00
Company 9	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10.00	7.00	
Chemicals:													
Company 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10.00	7.00	.07
Company 2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.00	10.00	
Company 3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10.00	9.00	.07
Company 4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.00	10.00	
Clothing:													
Company 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	8.00	7.00	35 2.00
Company 2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.00	9.00	
Company 3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.00	9.00	.05
Company 4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.00	9.00	.045
Electrical equipment and supplies:													
Company 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.00	8.00	.05
Company 2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10.00	7.00	.055
Company 3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13.00	10.00	.06
Company 4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10.00	8.00	.05
Food and beverages:													
Company 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	17.00	15.00	.05
Company 2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.75	9.50	.05
Company 3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10.00	8.00	.05
Company 4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7 9.00	7 8.00	.05
Company 5	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7 7.00	6.00	.0325

[illegible]

See footnotes at end of table, p. 32.

1938 survey of salesmen's expense account practices—Continued

Industry	Salesmen's expense account items allowed in addition to food and hotel rooms										Auto allow- ance, or estimated expense per mile unless otherwise indicated
	Railroad fare	Pullman fare	Plane fare	Taxi	Valet	Laundry	Steno- graph and tele- phone	Tips (L- limited)	Enter- tain- ment (L- limited)	Maxi- mum expense per day— big city	Maxi- mum expense per day— small city
Confectionery: Company 1.....	✓						✓	✓	✓	\$10.50	\$70.00
Company 2.....	✓	✓		✓	✓		✓	✓	✓	8.00	14.01
Dental supplies: Company 1.....	✓	✓	✓				✓	✓	✓	10.00	
Drugs: Company 1.....	✓	✓	✓	✓	✓	✓	✓	✓	✓	9.00	
Jewelry and silverware: Company 1.....	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.50	16.07
Lighting: Company 1.....	✓	✓	✓				✓	✓	✓	10.00	
Notions: Company 1.....	✓						✓	✓	✓	8.00	17.06
Company 2.....					11 ✓	11 ✓	✓	✓	✓	10.00	.08
Optical goods: Company 1.....	✓	✓		✓	✓	✓	✓	✓	✓	10.00	.04
Company 2.....	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.50	.07
Paper products: Company 1.....	✓	✓	✓	✓	✓	✓	✓	✓	✓	8.00	.05
Company 2.....	✓	✓	✓	✓	✓	✓	✓	✓	✓	13.00	18.07
Smoker's requisites: Company 1.....	✓	✓	✓	✓	✓	✓	✓	✓	✓	12.50	20.055
Sporting goods: Company 1.....	✓	✓	✓	✓	✓	✓	✓	✓	✓	11.00	5.0

1 Plus 3½ cents per mile.

2 Per month.

3 Per day.

4 \$3 a day away from headquarters, \$2 per day in headquarters city.

5 Plus \$0.0273 per mile.

6 Company absorbs one-half of expense.

7 Company pays flat allowance of \$9 a day to cover expenses.

8 Long trips only.

9 Allowed if men are away from home more than 1 week.

10 Per week.

11 Allowed if men are away from home more than 1 week.

12 Company pays one-half of liability and property damage insurance.

13 Plus parking, storage, tolls.

14 Company-owned cars; 4 cents per mile is estimated cost without insurance.

15 Men located in all large cities; allowance covers only lunch and incidentals.

16 Company pays also depreciation and insurance.

17 Company pays two-thirds of insurance.

18 For first 2,000 miles each month; then 4 cents per mile.

19 Requires authorization.

20 Company-owned cars.

Rates for operation of personal automobiles

	5,000 miles per year		7,000 miles per year		9,000 miles per year		11,000 miles per year		13,000 miles per year		18,000 miles per year	
	Dollars per year	Cents per mile	Dollars per year	Cents per mile	Dollars per year	Cents per mile	Dollars per year	Cents per mile	Dollars per year	Cents per mile	Dollars per year	Cents per mile
Mileage costs:												
Gasoline, 20 cents per gallon.....	64.00	1.28	89.60	1.28	115.20	1.28	140.80	1.28	166.40	1.28	230.40	1.28
Oil 25 cents per quart.....	11.50	.23	16.10	.23	20.70	.23	25.30	.23	29.90	.23	41.40	.23
Tires and tubes.....	24.00	.48	33.60	.48	43.20	.48	52.80	.48	62.40	.48	86.40	.48
Maintenance.....	71.50	1.43	100.10	1.43	128.70	1.43	157.30	1.43	185.90	1.43	257.40	1.43
Depreciation.....	125.00	2.50	175.00	2.50	225.00	2.50	275.00	2.50	325.00	2.50	450.00	2.50
Total.....dollars.....	296.00		414.40		532.80		651.20		769.60		1,065.60	
Per mile.....cents.....	5.92		5.92		5.92		5.92		5.92		5.92	
Fixed costs:												
License.....	23.54	.43	23.54	.30	23.54	.25	23.54	.21	23.54	.18	23.54	.13
Garage.....	48.00	.96	48.00	.69	48.00	.53	48.00	.44	48.00	.37	48.00	.27
Interest at 6 percent.....	57.17	1.14	50.88	.73	52.66	.59	54.17	.49	55.67	.43	59.54	.33
Insurance.....	28.19	.56	28.19	.40	28.96	.32	29.58	.26	30.29	.23	31.17	.17
Total.....dollars.....	156.90		150.61		153.16		155.29		157.50		162.13	
Per mile.....cents.....	3.14		2.15		1.70		1.41		1.21		.9	
Per day.....do.....	43		41		42		43		43		44	
Per month.....dollars.....	13.07		12.55		12.76		12.94		13.12		13.51	
Total costs:												
Mileage and fixed dollars.....	452.90		565.01		685.96		806.49		927.10		1,227.73	
Mileage and fixed cents/mile.....	9.06		8.07		7.62		7.33		7.13		6.82	

Automobile mileage rates paid State employment security agency employees

<i>Cents</i>	<i>Cents</i>
Alabama..... 5.	Montana..... 7.
Alaska..... 7.	Nebraska..... 5.
Arizona..... 5.	Nevada..... 7½.
Arkansas..... 5 and 6.	New Hampshire..... 5.
California..... 7 for first 300,	New Jersey..... 7.
6 for next 400,	New Mexico..... 7.
5 thereafter.	New York..... 7.
Colorado..... 7.	North Carolina..... 6.
Connecticut..... 5.	North Dakota..... 7½.
Delaware..... 7.	Ohio..... 6.
Florida..... 6.	Oklahoma..... 6.
Georgia..... 5.	Oregon..... 5.
Hawaii..... 6.	Pennsylvania..... 6.
Idaho..... 5.	Rhode Island..... 5.
Illinois..... 6.	South Carolina..... 5.
Indiana..... 6.	South Dakota..... 5.
Iowa..... 5.	Tennessee..... 5.
Kansas..... 5.	Texas..... 5.
Kentucky..... 7.	Utah..... 6.
Louisiana..... 4-6.	Vermont..... 6.
Maine..... 8.	Virginia..... 5.
Maryland..... 7.	Washington..... 5.
Massachusetts..... 7.	West Virginia..... 7.
Michigan..... 6.	Wisconsin..... 4½ for first 1,000,
Minnesota..... 5.	4 after.
Mississippi..... 6.	Wyoming..... 7.
Missouri.....	

Highest, 8; lowest, 4½; average, 6; 7 cents or better, 16.

[From Information Bulletin No. 43, American Automobile Association]

ALLOWANCES FOR EMPLOYEE-OWNED CARS

(NOTE.—This is a third report issued in the AAA's continuing study of costs of car operation. It brings up to date one phase of the original What Does It Cost to Drive? folder, namely, the question of fair allowances for employees operating their own cars on company business.)

Costs of car operation vary with make and model of car, with geographical location, with age of vehicle, with driving practices, and with other factors. This tends to make very difficult the problem of granting proper allowances to salesmen or other employees who operate their cars either full-time or part-time on company business.

In prewar years, a large number of companies granted flat mileage rates; 5 cents to 6 cents a mile was the usual allowance. The increase in cost of practically every item going into car operation has made necessary a reappraisal of automobile allowance practices.

There are some objections to granting a flat mileage allowance. Evidence indicates that a flat mileage rate often results in overallowances or underallowances. Another method is to grant a daily or yearly allowance covering the fixed costs of owning the car plus a mileage allowance to cover operating costs.

This method was developed by Runzheimer & Co., cost accountant engineers, who have spent many years in gathering data on expenses incurred in operating passenger-car fleets. Companies operating large fleets of employee-owned cars may find it advisable to contact this company which will work out individual cost figures. For smaller operations, it is believed the following allowances will prove fair to both company and employee:

1. For employees operating prewar cars, grant \$1 per day plus 3½ cents per mile.
2. For employees operating postwar cars, grant \$1.30 per day plus 3½ cents per mile.

These allowances are based on operating costs of the lighter cars—Ford, Chevrolet, Plymouth, etc. The recommended daily allowances in the Runzheimer master schedule for prewar cars ranges from a low of 87 cents per day (at the Michigan basing point) to a high of \$1.13 (in Montana). For postwar cars, the range in daily allowance is from \$1.18 (Michigan) to \$1.46 (Montana). The per mile operating costs vary from 2.8 cents per mile (at several basing points) to 3.8 cents per mile (Idaho).

HEAVIER CARS

The costs of owning and operating heavier cars are obviously greater than the costs shown above. Whether to grant additional allowances for larger cars is largely a matter for company policy and would depend to a great extent on the question whether a larger car is actually needed for the operation in question or is simply a matter of employee's choice.

REPAIRS

The above allowances are predicated on a yearly expenditure of \$25 in repairs; if repair costs run above that figure, the employee is justified in making claim for refund based upon the extent to which the car is used in company business.

EXTRA MILEAGE

The above allowances are based on anticipated yearly mileage of not to exceed 18,000. Above that figure, a special depreciation allowance is recommended: On prewar cars, \$7 for each thousand miles above 18,000 is roughly correct, and on postwar cars, \$9 for each thousand miles above 18,000.

ELEMENTS OF CAR COSTS

Following are cost estimates on a postwar model car as compiled by Runzheimer for a midwestern city:

Miles per gallon.....	14
Normal gas price.....	cents 22. 5
Gas and oil per mile.....	do 1. 83
Tires per mile.....	do 0. 67
Fire and theft insurance.....	\$26. 00
Property-damage and personal-liability insurance.....	\$60. 06
License fees.....	\$12. 15
Annual depreciation.....	\$382. 00
Total annual fixed costs.....	\$480. 21
Fixed allowance per day.....	\$1. 32
Additional per mile allowance.....	cents 3. 2

MILEAGE ALLOWANCE

If it is found desirable to work out a flat mileage allowance in place of the method outlined above, this can be done by using the figures presented in relation to total mileage per year as follows:

Assume a postwar car that is driven 10,000 miles annually, the national average. The fixed cost for the year will be \$475 and the mileage cost \$350—for a total of \$825 or 8¼ cents for each of the 10,000 miles driven. Similar computation for a prewar car gives a mileage cost of just over 7 cents per mile.

EFFECT OF SPEED

The above costs are based upon average driving speeds. However, it is worth noting that speed has a very marked effect upon mileage costs. Following are rough estimates as to car operating costs at various average speeds (mileage elements only):

Speed (miles per hour):	Total cost per mile (cents)
25.....	2. 1
35.....	2. 6
45.....	3. 4
55.....	4. 5
65.....	5. 8

It follows, then, that employees compensated at the rates recommended above will find themselves several dollars to the good at the year's close by driving at a moderate pace.

R. W. TUPPER,
Assistant Director, Department of Public Relations.

THE ORGANIZATION OF PROFESSIONAL EMPLOYEES
OF THE UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 17, 1949.

HON. WILLIAM L. DAWSON,
*Chairman, Committee on Expenditures in the Executive Departments,
House of Representatives, United States, Washington, D. C.*

DEAR MR. DAWSON: As your committee approaches the final stages of its consideration of the bill H. R. 3005, a bill to regulate subsistence expense and mileage allowance of civilian officers and employees of the Government, it might perhaps be disposed to consider a letter regarding the present costs of travel on official business which I recently have received from Mr. James K. Knudson, a member of the Office of the Solicitor of the Department of Agriculture.

Mr. Knudson has reduced to fairly concise form the gist of the declarations on the subject by most members of the Department of Agriculture who have to engage in official travel. The price levels that have to be met, the experiences encountered, the excess of actual cost over the \$6 per diem maximum now in effect, as cited by Mr. Knudson, are the rather common experiences of the average traveler on official business under current conditions. The establishment of a maximum rate of \$10 per diem within the limits of the continental United States

would not mean that all per diem allowance would be fixed at that rate but it would make possible equitable adjustments where the reasonable costs of travel approached or exceeded \$10 per day. As executive officer of the Organization of Professional Employees of the United States Department of Agriculture, I strongly urge that this proposed maximum rate of \$10 per day be approved by your committee and by the Congress.

Another point of interest to the members of this organization is that covered by section 4 of the bill, through which the maximum allowance for the use of privately owned automobiles would be increased from the present rate of 5 cents to the proposed rate of 7 cents. In a minority of cases the 7-cent rate would be fully justified by all equitable considerations. Where private ownership of an automobile is primarily for personal use, the use for official purposes being minor and incidental, the present maximum of 5 cents per mile normally is reasonably satisfactory because in such instances the private owner would in any event assume the cost of depreciation, taxes, interest, etc., leaving as official reimbursable items merely gasoline, oil, tires, and unusual maintenance.

This organization is advised, however, that in some of the Federal agencies, notably the Rural Electrification Administration, a different situation prevails. Such organizations require a large proportion of field travel frequently remote from the main facilities for mass public transportation. At the same time such organizations are limited by statute or by finance to numbers of official cars which are completely inadequate to the requirements of the work.

In consequence, field officers whose duties require extensive travel, as, for example, engineers or appraisers, are required to purchase automobiles in order efficiently to perform their duties and not primarily for private use. It is represented that in some such cases 80 to 90 percent of the total use of a car is exclusively for official purposes. In this circumstance, the basic costs of depreciation, taxes, interest, etc., combined with the normal costs of operation, markedly exceed the present maximum rate of 5 cents per mile and subject the owners of such cars to definite financial loss every time they are used for official work.

Were section 4 of H. R. 3005 enacted into law, there is every probability that in the majority of cases rates of 5 cents per mile or less would continue to prevail. Under present conditions the mileage rates in the least expensive territories are understood to be less than the now authorized 5 cents per mile. An abuse of the increased authorization seems quite improbable. On the basis of the information I have derived as executive officer of this organization, my feeling is that the adoption of section 4 is fully justified and I hope it receives the approval of your committee.

Cordially,

L. F. KNEIPP, *Executive Officer.*

ARLINGTON, VA., March 14, 1949.

MR. L. F. KNEIPP,

Executive Officer, Organization of Professional Employees of the Department of Agriculture, South Building Post Office, Washington 25, D. C.

DEAR MR. KNEIPP: I believe that you are to appear before a congressional committee in behalf of the Professional Employee Organization of the Department to make representations concerning the inadequacy of the present per diem allowed Government employees in a travel status. Over the past several years I have been in a travel status out of Washington in most parts of the United States. My work as a lawyer requires me to associate with lawyers, witnesses, and other court and hearing personnel who are generally involved in the same proceedings to which I am assigned. However, even though many of the lawyers representing private parties have the advantage of large expense accounts, I do not consciously try to maintain the same standards of expenditure that they do. On the contrary, even though I am required to associate with them, I find it necessary to curtail my expenses to the bone in order to make it even possible for me willingly to represent the Government in a travel status.

In 1941 or thereabouts, a \$6 per diem was not unreasonable. It did allow one to break about even if he watched his miscellaneous expenditures. As the war progressed and accommodations became less selective, and as prices went up, the \$6 per diem became more and more inadequate, and during the past 2 years, it has been but a token payment so far as actual expenses are concerned unless the traveler is willing to make many personal sacrifices. I, for instance, stay at middle-class hotels, such as the Sherman and Morrison in Chicago, the Ansley in Atlanta, the Cosmopolitan in Denver, the Temple Square in Salt Lake City, and

I have generally found it impossible in these or any of the other hotels to secure a room during the past 2 years for less than \$4.50 a night, and on many occasions the rooms I have had to secure have been \$6 a night. I usually write in advance asking for the kind of a room that would be generally sought by a Government employee in a Government travel status, and the reservations that have been made have been for single rooms with a shower and generally on a light court.

I find it impossible to obtain breakfast for much less than \$1, not including the tip, although by eating in cafeterias it is possible to reduce this expenditure on occasion to 75 cents. Lunch, if one wishes to dine alone at some selective place, generally costs about \$1.50, including a tip, but if one goes to lunch with his associates who are thrust upon him as a result of his Government activity, more often than not lunch costs \$2 and up. Dinner is at least a \$2 enterprise nowadays and if one desires to eat in the style of his business associates this figure would also be conservative. So that it can be said that meals cost about \$5 a day at the least. There are miscellaneous other items that are not collectible on an expense account, such as most taxi and streetcar fares, porter service, redcap service, valet service occasioned by living out of a suitcase, and other incidental items directly connected with travel, which add at least another dollar to a day's financial outlay.

I have reported to the income tax authorities that it cost me between \$10 and \$11 a day for every day I traveled for the Government in 1948. Seventy-five days in travel status would mean that the privilege of traveling for the Government costs me \$375 more than the per diem allowed.

I wish also to state that one of the worst features about the bobtail per diem is that to the average Government employee it might well increase the ever-present temptation to accept treats, drinks, dinners, and other minor gratuities from the ever-present clan of expense account travelers who cross the Government traveler's path. The conscientious Government employee when treated courteously in this respect will endeavor to repay in kind so that no obligations will arise. This conscientiousness, of course, imposes a further strain on the Government traveler's pocketbook.

The only alternative to escape the difficulties cited above would be to take a room in some louse-ridden hotel, eat hot dogs, wear wrinkled clothes, and make his purse an abiding place for moths.

I might add that the situation is not much better on the train, even though a pullman berth is furnished as part of the travel account, for the reason that diner-car meals have rocketed to scandalous heights and the honorarium that one is required to give to porters, etc., more than eats up the balance.

On the whole, I should think that a \$11 per diem would be realistic but by no means extravagant.

Very truly yours,

JAMES K. KNUDSON.

MARCH 17, 1949.

HON. WILLIAM L. DAWSON,

*Chairman, Committee on Expenditures in the Executive Departments,
House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN DAWSON: I am writing in behalf of the personnel of the Federal courts to urge favorable action by your committee upon the pending bill to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government (H. R. 3005). The Judicial Conference of the United States, consisting of the Chief Justice of the United States, chairman, and the chief circuit judges of the 11 judicial circuits of the country, at its last annual meeting held in September 1948 recommended increases in the present provisions for reimbursement of personnel of the courts for expenses incurred for subsistence and for the use of privately owned automobiles while engaged in official travel. The pending bill conforms with the recommendations and if enacted will redress serious injustices in the present rates of reimbursement.

The present allowance for expenses of subsistence of officers and employees of the judicial establishment, other than judges, is a per diem sum of not to exceed \$6 within the limits of the continental United States (5 U. S. C. 823). In this the supporting personnel of the courts share with Government officers generally. The allowance for subsistence of Federal judges is presently fixed by section 456 of title 28 of the United States Code at their "reasonable maintenance expenses actually incurred, not exceeding \$10 per day." The rate of reimbursement to all personnel of the courts including judges, for the use of privately owned automobiles in official travel is fixed at not to exceed 5 cents a mile outside of their official stations, and 4 cents a mile within them (5 U. S. C. 73a).

The pending bill would assimilate the allowance for subsistence of officers and employees of the courts, other than judges, while engaged in official travel, to the similar allowance for other personnel of the Government as at present, but would increase it to "a per diem allowance to be prescribed by the department or establishment concerned, not to exceed the rate of \$10 within the limits of the continental United States and in case of travel beyond the limits of the continental United States not to exceed rates established by the Director of the Bureau of the Budget for the locality in which the travel is performed."

The bill leaves the allowance for subsistence of judges in official travel to be separately provided for as at present, and another bill has been introduced and is pending (H. R. 2166) which would continue the present plan of reimbursement for subsistence of judges on the basis of their actual expenses, but would raise the maximum limit from \$10 to \$15 a day. The bill before your committee (H. R. 3005) would also raise the rate of reimbursement for the use of privately owned automobiles for official travel by all personnel of the courts, including judges, from 5 cents a mile as at present to 7 cents.

The increases in the rates for both subsistence and mileage for which the bill provides, have been urgently needed for a number of years. It needs no argument that \$6 a day, which is the rate prescribed by the present law (5 U. S. C. 823), is much below the cost of transient accommodations in many if not most places in this country at the present time. A suitable room in a hotel and modest meals cannot be procured in a large number of places in which the supporting personnel of the courts, including clerks and their deputies, secretaries, and law clerks to judges, court reporters, and probation officers are called upon to stay within a limit of \$6 a day. Section 62b (1) of the Bankruptcy Act as amended allows to referees their actual expenses for lodging and subsistence not to exceed \$7 per day while in a travel status. But this amount, too, is insufficient in most places, and for the referees as for most other personnel of the Government, a flat allowance in an adequate amount, for which the pending bill provides, is needed.

There is equal necessity as a matter of justice for the increase in the mileage rate for the use of privately owned automobiles for official purposes provided for in the pending bill. The act fixing the present rate of 5 cents (47 Stat. 1516, 5 U. S. C. 73a) was enacted in 1933 when prices generally were on a low level. It is well known that since then the cost of operating automobiles has increased very much. The price of gasoline, the cost of amortization due to the sharp advance in the price of automobiles, which has almost doubled in recent years, the cost of replacements and repairs, and virtually all substantial elements of cost involved, have gone up very much. Court personnel who are limited to payment of 5 cents a mile, have a deficiency to make up out of their personal funds every time they use their automobiles for official travel. The court personnel who have occasion to do this include many judges and clerks of court and their deputies, secretaries and law clerks of judges, court criers acting as bailiffs and messengers, court reporters, referees in bankruptcy, and probation officers.

The need of the supporting personnel of the courts, other than probation officers, occurs principally in districts in which terms of the district courts are held from time to time at a number of different locations. In such situations there would be much loss of time and energy in using common carriers. Frequently a number of officers travel together in one automobile for use of which only the officer who owns the car is reimbursed. Travel by automobile under these conditions makes for efficiency and results in a saving for the Government. Clearly the officers who use this method should be made whole for their expense.

The Federal probation officers use automobiles not only to attend terms of courts at which they have duties to perform as do other officers, but to make numerous calls upon persons in scattered locations whom they are supervising or whom they need to see in connection with their present investigations under Criminal Rule 32 (c) (1). Many probation officers have occasion to run their automobiles anywhere from 10,000 to 25,000 miles a year. The present rate of reimbursement, 5 cents, is conservatively believed to be 2 cents per mile below cost, and upon this basis such officers are required to contribute anywhere from \$200 to \$500 a year out of their salaries. This plainly is not just.

The present bill would correct the deficiency by raising the maximum rate to 7 cents. It also would do away with the distinction in the present law between travel outside of the official station and travel within it, for which a lower rate of only 4 cents is allowed. This is anomalous because travel within the official station on account of the numerous stops and starts involved, is obviously more expensive than travel outside. The pending bill corrects this.

I desire to express in behalf of the Judicial Conference and of the Federal courts my gratification that the personnel of the courts have been included with Govern-

ment personnel generally in the relief which is proposed. If granted it will remedy what has been a glaring injustice and be very beneficial to the morale of the court service.

With kind regards, I am,
Sincerely yours,

HENRY P. CHANDLER.

The following supplements the information contained in the list dated June 11, 1948, showing departments, agencies, bureaus, etc., which reduced the authorized rate of per diem in lieu of subsistence and/or limit the period for which the per diem may be paid

Organization	Area	Rate authorized and/or other limitation
Department of Agriculture: Plant Industry and Soils.....	Various.....	\$5; \$5 for 5 days and not to exceed \$3 and \$4 thereafter; \$6 en route and \$4.50 for 20 days; \$6 for 5 days, \$4 thereafter, not to exceed 20 days.
Forest Service.....	Region 1..... Region 2..... Region 3..... Region 4..... Region 5..... Region 6..... Region 7..... Region 8..... Region 9..... Region 10 (Alaska)..... Region 12.....	\$2 to \$5.60. \$2.60 to \$4. \$2 to \$6. \$5 to \$6. \$2 to \$6. \$2 to \$6. \$3 to \$4.40. \$3 to \$5.40. \$4 to \$5.60. \$3 to \$7. \$4.60.
Production and Marketing Administration.	Various..... Tennessee, Kentucky, North Carolina, South Carolina, and Virginia. California, Mississippi, Oregon, Georgia, Louisiana, Alabama, and Texas. Various States.....	\$6 for first 30 days, and \$5 for next 30 days; \$4 for travel wholly within a day. \$6 for 15 days, \$2 for the next 45 days, and no per diem in excess of 60 days except by special authority. \$6 for first 30 days, and \$5 for next 30 days, and no per diem thereafter. Orders provide that no per diem will be allowed between 7 a. m. and 7 p. m., or 7 a. m. and 6 p. m.
Soil Conservation Service.....	Various.....	\$6, \$5.60, \$5.40, \$5, \$4.60, and \$4.40; \$2 and \$2.50 while in camp.
Office of Agricultural Research.....	Alaska.....	\$8; authorized rate to be reduced according to locality considering type of work and length of period of duty.
Department of Commerce: Civil Aeronautics Administration.....	United States.....	\$6 for 60 days; \$5 for the next 30 days; and \$4.50 thereafter.
Weather Bureau.....	Alaska..... Region 1..... Regions 6, 10, 11, 12, 15, 17. Regions 1 and 12.....	\$7 en route and for the first 15 days; \$5 thereafter, \$4 aboard ship for observation purposes. No per diem on Navy vessel. \$6 first 30 days and \$5 thereafter, \$3 on vessel where meals and lodgings are included in price of passage. \$6 within and without continental limits of United States; \$4 aboard ship for observation purposes.
Geological Survey..... Federal Works Agency: Public Roads Administration.	Various..... Various—Authorizations issued in Washington, D. C.; Kansas City, Mo.; Denver, Colo.; Portland, Oreg.; and San Francisco, Calif.	\$6, \$5.50, \$4.60, \$4.50, \$3.50, \$2.40, and \$2. Various rates from \$2 to \$6 authorized, except that \$1 or \$2 will be paid for trips in excess of 10 hours, providing overnight travel is not involved.
General Accounting Office.....	Various.....	\$6 to and from temporary-duty station; \$6 for each of first 90 days; \$5 for next 30 days; \$4 for next 30 days; \$3 for next 30 days; \$6 for travel from temporary-duty station for more than 24 hours. Effective Jan. 7, 1949, \$6 for 180 days, none thereafter.
National Housing Agency: Federal Housing Administration.do.....	Limitation referred to rescinded Sept. 6, 1946.

There are no administrative regulations or travel orders on file to indicate that there has been any change in the rate of per diem and/or limit of time the per diem may be paid as shown on the list of June 11, 1948, for the following departments, agencies, bureaus, etc.: Department of Agriculture—Federal Crop Insurance Corporation, Agricultural and Industrial Chemistry, Commodity Exchange Authority, Human Nutrition and Home Economics.

Administrative regulations and travel orders on file indicate no change in per diem and/or time limit that per diem may be paid for those agencies, bureaus, etc., not included herein.

DEPARTMENT OF LABOR, OFFICE OF BUDGET AND MANAGEMENT

DATA ON COSTS OF SUBSISTENCE AND MILEAGE WHILE IN TRAVEL STATUS ON GOVERNMENT BUSINESS

(Submitted January 18, 1949)

SUBSISTENCE

James E. Dodson, Director, Office of Budget and Management

Official trip to Chicago January 1949. Reservation made in advance in letter to Hotel Stevens. Acknowledgment of reservation received. Arrived Hotel Stevens. Letter indicating reservation presented. Advised room would not be ready until 3 p. m. Baggage checking necessitating unexpected additional tips to porter. On return to hotel in afternoon, advised no single room available. Only possibility was a suite of rooms priced at \$30 which would be made available for two occupants for \$7 each. Mr. Dodson occupied room with another official from the Department of Labor. Each paid \$7 per night for 2 nights.

Another representative of the Department, Boyd C. Anders, paid \$7 per night at the Hamilton Hotel when he thought he had a reservation for a \$5.50 per night room. Other members of the group who were in Chicago at the same time had to pay a minimum of at least \$6 per night.

John C. Shinn, field operations officer, Wage and Hour; official station, Washington, D. C.

Uses his own car for official business. 1947 Buick. Has figured his expenses for income-tax purposes with a total deficit of \$616.35 based on losses on per diem and low mileage rate. Figures his mileage rate \$0.086 per mile. Estimates daily subsistence expenses:

	<i>Per day</i>
Hotels (average from bills)-----	\$3. 97
Meals-----	4. 25
Tips, taxes not paid for by the Government, telegrams for reservations, baggage checks-----	1. 00
Laundry and pressing-----	. 75
Total-----	9. 97

Mr. Gleason, regional director, Wage and Hour, Boston, Mass.

Thirty-two days in travel status in calendar year 1948. Estimates his average daily hotel costs \$4.85. Other miscellaneous subsistence expenses, \$6 per day. Average total daily cost, \$10.85.

William S. Singley, regional director, Wage and Hour, Cleveland, Ohio

Six trips to Washington, D. C. Reservations made in advance, Washington Hotel. One stay, \$6 per day. Washington Hotel, another stay, \$7.50 per day. Hamilton Hotel, \$4.50 per day. Raleigh Hotel (3 stays), \$5 per day. Reservations for rooms secured here. "Musts," no other choice being available.

William J. Rogers, regional director, Wage and Hour, Dallas, Tex.

"Several months ago I met Hugh Cole in El Paso to have a conference with a national-known contractor whose headquarters were there. After our conference the contractor had one of his men take us to town. He asked where we were stopping and when we told him the name of the hotel, he said, 'I have been in El Paso for many years, but I just don't know where that hotel is located.'

"When it comes to hotel accommodations, they (men) are staying at second-rate tourist courts and whatever hotels they can get into."

"I have kept track of the money I have personally spent on travel during the last year and car costs. My average expenditure for 89 and a fraction day's travel has been \$10.16 a day. The cost for my automobile has been slightly over 10 cents per mile. As I used my automobile for over 4,000 miles on official business, you can see the loss involved. This loss on automobiles is going to continue as people replace their cars and buy higher-priced ones. For example, I had up until about a year ago a 1939 DeSoto that cost me \$1,106. The same make and model of the car in Dallas today costs \$2,369.50 without radio, heater, and seat covers."

Charles A. Britton, Bureau of Apprenticeship, region VII

<i>Hotels</i>	<i>Per day</i>
New Orleans (4 days)-----	\$4. 50
Miami, Fla. (4 days)-----	7. 50
Orlando, Fla. (3 days)-----	8. 00
Jackson, Miss. (5 days)-----	5. 25
Charleston, S. C. (3 days)-----	4. 50
Jacksonville, Fla. (7 days)-----	4. 25

Clarence T. Lundquist, field operations officer, Wage and Hour, Washington, D. C. (official station)

His analyzed expenses covering 130 days of travel with hotel accommodations in second-rate or lower hotels are as follows:

Hotel-----	\$3. 85
Meals-----	3. 50
Tips-----	. 70
Laundry-----	. 60
Total-----	8. 65

Marvin Methvin, field operations officer, Wage and Hour, official station, Washington, D. C.

Official assignment in past years have taken him to Boston, Mass., \$4; New York, N. Y., \$6; Philadelphia, Pa., \$4.50; Raleigh, N. C., \$4; Birmingham, Ala., \$3.50; Cleveland, Ohio, \$4; Chicago, Ill., \$4.85; St. Paul, Minn., \$4.50; Kansas City, Mo., \$4; Dallas, Tex., \$4.50; San Francisco, Calif., \$4; Portland, Oreg., \$4.50; Seattle, Wash., \$4; Denver, Colo., \$4. Only twice was he able to secure room under \$4 per night. Average cost was \$4.25 per day resulting from shopping around and usually staying in cheapest and poorest rooms in second- and third-rate hotels. Due to increased food costs has had to patronize cafeterias and less desirable restaurants in order to keep average meal costs to about \$4 per day. Laundry, tips, package checking, telephone and telegraph costs for reservations are other items which enter into the picture which are not reimbursable.

Other expenses which could not be put on a "daily" cost figure but which add up to an appreciable amount during the course of a year are baggage checking, telephone calls, and telegrams for reservations, nonreimbursable taxi fares, etc.

"By swallowing my pride and sacrificing comfort as to hotel accommodations, and 'tightening my belt' as to meals, I have managed to squeeze by on an average cost of about \$10 per day, or a mere personal loss of only \$4 per day."

Harry D. Manpin, inspector, Texas

"I could not afford to stay and eat at first class places; therefore, the food and lodging does not reveal the expense of accommodations fitting a Government inspector. I stayed mostly in tourist camps and not the best of those."

MILEAGE

Statement on mileage and subsistence costs in Region I, Wage and Hour, averaged by States and by different classes of employees, is attached. This shows average mileage costs range from \$0.062 to \$0.097; hotel costs range from \$3.50 to \$4.85 per day; average daily costs of subsistence and other miscellaneous expenses from \$3.70 to \$4 per day. Daily average for all subsistence from \$7.30 to \$10.85.

P. Schilling, supervisor, Wage and Hour, Maine

Auto travel official business 2,099 miles, calendar year 1948. Mileage cost based on repairs and depreciation, etc., \$0.097 covering 40 days in travel status.

Donald D. Drew, inspector, Wage and Hour, South Dakota

1948—4,310 miles on official business—83¼ days in travel status.

Mileage cost \$0.0726, which does not include towing charges and other charges.

Paid from \$2.50 to \$4.85 per day for hotel rooms, but only once or twice a week felt flush enough to have a room with bath.

J. Sidney Gonsoulin, branch manager, Wage and Hour, New Orleans, La.

"The inspectors in Louisiana abhor the thought of travel principally for the reason that they lose money on per diem and mileage. It is possible for them to reduce their losses from a standpoint of per diem by eating less than they might be accustomed to. However, there isn't any way to overcome the loss on mileage allowances. Gasoline costs 32 cents a gallon in Louisiana and travel on the types of roads which we must travel in conducting lumber inspections plays the mischief with an automobile, new and old. As you know, half of our annual quota is lumber. Incidentally, travel on gravel and dirt roads also tends to increase the laundry and cleaning bills."

O'Neill Barrett, inspector, Wage and Hour, Mississippi

April 1, 1948 through November 30, 1948. Total mileage 9,670. Official business total cost \$706.09. Average mileage cost .073. Number days in travel status 194½.

George B. Knipp, inspector, Wage and Hour, New York, N. Y.

Total mileage on Government business, 4,203. 65 days in travel status covered in report. Total cost \$375.52. Average cost per mile for Government travel .0287. Average cost of hotel room \$3.50 per day. Average cost of meals \$4.50 per day. Laundry, tips, other services, \$1 per day. Total average cost, \$9 per day.

(NOTE.—Uses Buick, 1940.)

Robert S. Podbros, inspector, Wage and Hour, New York

Four thousand miles on Government business. (Hudson 1948) 50 days of travel status. Average total cost, \$382; average mileage cost, 9.6 per mile. In travel status, 1948, 60 days (some travel by public transportation). Average hotel cost, \$4 per day; average meal cost, \$4.25 per day; miscellaneous expenses, including tips and other fees, \$0.75 per day; average cost subsistence, \$9 per day.

Sarah Harris, inspector, Wage and Hour

From January 1 through October 31, 1948, total official mileage, 2,236; total cost, \$167.15; average mileage cost, \$0.074. Number of days in travel status, 31½. 1946 Ford.

Clayton Carden, inspector, Louisville, Ky.

Official mileage from January 1 to December 24, 1948, 10,693; average cost, \$679; average mileage cost, \$0.06355; number of days in travel status, 103¾. 1948 Chevrolet.

Charles N. Conner, area supervisor, Bureau of Apprenticeship, Atlanta, Ga.

"My personal income-tax figures, show that during year 1947 I suffered a loss of \$406. Incidentally, the income-tax department told me that my figures were conservative. I did not include expenses you necessarily incur, such as treating business associates to lunch, tips, and a number of miscellaneous expenses. I have not as yet estimated my 1948 loss on travel, but I am certain that it will exceed the loss that I suffered during the year 1947. I cover the State of Florida and during the winter season hotel rooms will cost anywhere from \$6 to \$20 a night."

Miles on 1941 Dodge sedan, official business, 9,190:

Cost	\$539. 55
Reimbursement, at 5 cents per mile	443. 90
Loss	105. 65

Stephen S. Kaler, field representative, Bureau of Apprenticeship

Mileage, October 1948, official business, 1,934 miles:

Total cost-----	\$109. 06
Received, 5 cents per mile-----	96. 70
Loss-----	12. 36

John M. Ekeberg, inspector, Wage and Hour, Butte, Mont.

Mileage cost, \$0.0613 per mile (no repairs, 1948 included).

Uses own car 84 percent for official travel. Gas costs 31½ cents per gallon.

U. S. Department of Labor—Chart on mileage and subsistence costs in region I

	Travel period	Total mileage	Total cost gas, oil, repairs, storage, etc.	Average mileage cost	Number days in travel status	Average daily cost hotel accommodations	Average daily cost miscellaneous subsistence expenses	Average daily cost of all subsistence expenses
ADMINISTRATIVE EMPLOYEES								
Mr. Gleason, Regional Director	January to December 1948				32	\$4.85	\$6.00	\$10.85
Mr. Nelson, Assistant Regional Director	do				11	4.85	6.00	10.85
Mr. Blake, Regional Supervisory Inspector	do	2,658	\$186.00	\$0.07	30	4.85	6.00	10.85
Regional average				.07		4.85	6.00	10.85
SUPERVISORY EMPLOYEES								
Maine: Schilling, P	January to December 1948	2,090	203.00	.097	40	3.75	4.00	7.75
Connecticut: Clark, G	do				15	4.85	5.00	9.85
Massachusetts: Jordan, J	do				12	3.85	4.25	8.00
Western Massachusetts and Vermont: Masucci, J	do				20	4.85	6.00	10.85
Regional average				.097		4.25	4.80	9.00
INSPECTION TYPE PERSONNEL								
Maine:								
Gould, A	January to November 1948	3,962	314.91	.08	27	3.50	3.60	7.10
Connors, C	January to December 1948	4,177	275.00	.065	73	3.50	3.75	7.25
Kelley, A	do	24,600	1,624.00	.0661	150	3.75	3.75	7.50
Connecticut: Rodio, O	November 1948	391	32.45	.083	12	4.00	4.00	8.00
Western Massachusetts and Vermont:								
Wason, J	September to December 1948	3,529	237.00	.07	48	3.50	4.75	8.25
Tracy, T	May to November 1948	5,090	367.87	.072	68	3.50	5.15	8.65
Varley, G	May to August 1948	4,157	267.84	.064	16	3.50	5.00	8.50
New Hampshire:								
Spaulding, C	January to December 1948	8,736	524.00	.06	35	3.75	4.00	7.75
Learmonth, A	do	11,654	757.50	.065	46	3.75	4.00	7.75
Massachusetts:								
Giorgio, F	do	5,891	395.00	.067	37	4.50	4.60	9.10
Pettit, J	July 1947 to June 1948	3,506	240.00	.068	38	4.00	3.75	7.75
Regional average				.07		4.00	4.00	8.00

AVERAGE COST BY STATES

	Average mileage cost	Average daily hotel cost	Average daily cost, miscella- neous sub- sistence expense	Daily aver- age cost for all subsist- ence
Maine.....	\$0.07	\$3.60	\$3.70	\$7.30
Connecticut.....	.083	4.00	4.00	8.00
Western Massachusetts and Vermont.....	.068	3.50	4.95	8.50
New Hampshire.....	.062	3.75	4.00	7.75
Massachusetts.....	.067	4.25	4.25	8.45
Regional average:				
Inspection employees.....	.07	4.00	4.00	8.00
Supervisory employees.....	.097	4.25	4.80	9.00
Administrative employees.....	.07	4.85	6.00	10.85
Regional average (all-type employees).....	.079	4.50	5.00	9.25

ATLANTA, GA., January 5, 1949.

To: Mr. Edward F. Gallagher.

From: Charles N. Conner.

Subject: Increased per diem.

DEAR ED: Since this is the beginning of a new year and we continue to lose money on our travel, I am hoping that you can use the attached information supporting the claim that \$6 per diem is not sufficient to cover the expenses of anyone doing field work who is employed by the United States Government.

You will see from the attached exhibits that a part of my personal income tax figures show that during the year of 1947 I suffered a loss of \$406. Incidentally, the income tax department told me that my figures were conservative. I did not include expenses you necessarily incur, such as treating business associates to lunch, tips, and a number of miscellaneous expenses that are too numerous to mention.

I have not as yet estimated my 1948 loss on travel, but I am certain that it will exceed the loss that I suffered during the year 1947. The reason I say this is because hotels have been allowed to increase their rents, and then as you know I cover the State of Florida and during the winter season hotel rooms will cost anywhere from \$6 to \$20 a night. Meals in restaurants have also increased considerably.

I certainly hope that something can be done to raise the subsistence allowance because it does not seem fair that an employee of the Government should have to dig into his own pocket to pay for expenses incurred handling official business.

EXHIBIT A

Loss on PO automobile (1941 Dodge sedan)

Speedometer reading:	
December 31, 1948.....	18,594
January 1, 1947.....	¹ 7,106
Total miles traveled.....	11,488
Miles used on Government business as per travel vouchers.....	8,878
Miles used on Government business official station not claimed..	312
	<u>9,190</u>
Miles personal use.....	<u>2,298</u>
Cost:	
Gasoline.....	\$238.41
Oil and grease.....	39.90
Tires and repairs.....	110.00
Car repairs.....	154.50
Storage.....	60.00
Insurance.....	84.00
Depreciation (none).....	-----
Total.....	<u>686.81</u>
Less 20 percent personal use.....	<u>137.36</u>
Total cost.....	<u>549.55</u>
Total reimbursement, 8.878 miles, at 5 cents.....	<u>443.90</u>
Loss claimed.....	<u>105.65</u>

¹ Repaired speedometer, 1946.

EXHIBIT B

Subsistence, travel loss

Month	Days in travel status	Actual expense	Reimbursement received	Net loss
January.....	14½	\$126.00	\$85.50	\$40.50
February.....	9¾	81.50	58.50	23.00
March.....	7½	63.75	45.00	18.75
April.....	9½	83.00	57.00	26.00
May.....	6½	57.25	37.40	19.85
June.....	15¾	144.00	94.50	49.50
August.....	15½	115.00	91.50	23.50
September.....	(1)	(1)	(1)	(1)
October.....	2¾	22.50	16.50	6.00
November.....	8	72.00	48.00	24.00
December.....	13	111.25	78.00	33.25
Total.....	115	988.75	688.40	300.35

¹ No travel sick leave.

1947 expense (used 1947 income-tax return)—Recapitulation exhibits A and B

Total travel reimbursement received.....	\$1, 168. 53
Subsistence received.....	688. 40
Mileage on PCA.....	443. 90
Incidentals.....	36. 23

	Received	Cost	Loss
Loss claimed:			
Subsistence.....	\$688. 40	\$988. 75	\$300. 35
Mileage auto.....	443. 90	549. 55	105. 65
Incidentals.....	36. 23	36. 23	-----
Total.....	1, 168. 53	1, 574. 53	406. 00

DECEMBER 8, 1948.

To: Miss Jay.

From: Harris Shane.

This is in response to your recent request concerning expenses on field trips.

I eat a standard breakfast of orange juice, eggs, toast, and coffee. I notice that with tip this cost me \$1.50 on September 27 on the National Limited; \$1.50 on the Southern Pacific's Golden State on September 29, and an average of 90 cents or \$1 in hotels. Breakfast, therefore, takes a sizable chunk of the per diem. Lunch on trains also runs about \$1.50, and dinner on this last trip (far from the most expensive dinner) cost \$2.50 to \$3.

The expensive meals on the trains make it impossible to accumulate enough out of the \$6 while traveling on the train to pay the extra expense of hotels.

In St. Louis on September 27, I was lucky enough to get a hotel room for \$5. Some of the others had to pay \$5.75, and Mr. Perun had to pay \$6.50. In Los Angeles we stayed at the Mayflower, which is decidedly a second-rate hotel, and paid \$5. I have found it very difficult to get any hotel room in a conveniently located, reasonably clean hotel, for less than \$5. When you add to this tips and laundry, you have a slight deficit and must be expected to live on cereals and gruel.

JANUARY 7, 1949.

To: Edward F. Gallagher.

From: E. K. Jenkins (r. e. l.).

Subject: Account of expenses for the month of October 1948.

Attached hereto is a report of actual expenses balanced against reimbursement by voucher which has been submitted by request by Mr. Stephen S. Kaler for the month of October 1948. Mr. Kaler does considerable auto travel in an area

where hotel and meal prices are lower than those areas covered by Mr. Jenkins' report. Although he has submitted no copies of bills for this period, he does have them in his personal file if it is necessary for you to have them. We hope this information will be of assistance, particularly in reference to mileage allowance on the use of privately owned automobiles.

Per diem

Credit: \$76.50.

Hotel rooms:

4 nights at \$3.50	\$14.00
3 nights at \$4	12.00
1 night at \$3	3.00
2 nights at \$5	10.00
	<u>39.00</u>

Meals:

10 breakfasts, 90 cents average	9.00
14 lunches, \$1.25 average	21.50
12 dinners, \$2 average	24.00
Tips, 10 percent	5.45
	<u>59.95</u>

Total 98.95

Received 76.50

Loss 22.45

Ten nights on road, \$22.45 loss; loss per night, \$2.24.

Mileage

Credit: 1,934 miles at 5 cents, \$96.70.

Gas, 116 gallons, at 28½ cents (average 17 miles per gallon)	\$33.06
Oil, 5 quarts at 40 cents	2.00
Lubrication, once in 2,000 miles	1.00
Insurance per month	10.00
Garage rent while traveling, 10 night at \$1	10.00
Depreciation, monthly based on difference between value of old car and cost of new car last November	33.00
Repair, tires, etc	20.00

Total 109.06

Received 96.70

Loss 12.36

Loss each mile traveled, 1.5 cents.

DECEMBER 7, 1948.

To: Miss Jay.

From: Helen B. Sater, Women's Bureau.

Subject: Per diem.

I am glad you have given me an opportunity to register my feeling that the subsistence allowance for travel of \$6 per day is far from adequate to meet even the minimum needs. The situation as far as I am concerned is so serious as to make me wonder whether I can possibly afford to stay as continuously in the field as my position requires.

The shortage of hotel accommodations makes the situation more acute. It is practically impossible to obtain a room at a minimum rate on short notice. I frequently cannot be sure of exact dates of arrival very far in advance and when I do make reservation in advance I have many times had the experience of engaging a minimum-priced room to find upon arrival that the reservation has been made for more expensive accommodations. I believe that blocks of rooms are held by big business concerns and the lower-priced rooms are held for men who may be more frequent visitors.

Seldom have I been able to get a room for less than \$5 a day and I have many times paid \$5.50, \$6 and on a few occasions it has been necessary to pay \$7 a day. This leaves very little for three meals, tips, etc., that must be paid out of per diem. In Danville, Va., where one might expect to get cheaper accommodations, my room was \$4.50, and in Abingdon, Va., a town of 4,000 or 5,000 inhabitants, the rate was \$4. So that, you see, even in the smaller, less sophisticated places, the rate is high.

In November, I visited Cleveland and was compelled to move from the Cleveland Hotel (because of an incoming convention) where I was paying \$5 and the only room I could secure was at the Wade-Park Hotel at a higher rate. I knew somewhat in advance that I was going on to Chicago. I telephoned three hotels in Chicago, from Cleveland, at my own expense, and was not able to find a room. Only after getting assistance from a Chicago-based person was I able to get in at the fifteenth hotel contacted. Representatives from the frozen-food industry and the shoe industry were having conventions there. The convention business frequently complicates the situation.

The nature of my work often makes it necessary to ask people to meet me at their convenience which is so often at lunch or dinner time in which case I feel an obligation to have them as my guests. Of course, there is no provision for this kind of entertaining and per diem does not meet the situation.

DECEMBER 7, 1948.

To: Ada E. Fust, administrative assistant.

From: John J. Babé, assistant solicitor.

Subject: Per diem allowances versus active expenses.

The following is a generalized view of my last three trips, and affords data on the inadequacy of the current per diem allowances.

The first of these three trips was to Birmingham in September 1948. I remained there for approximately 2 days. My hotel cost me \$5 per day, which left me \$1 to defray the cost of three meals per day, including tips, as well as necessary tips to bellboys upon arrival and departure. On an average my meals cost me \$3.50 per day. Thus, on this trip a minimum of \$2.50 per day came out of my own pocket over and above per diem allowance.

The second trip was to Cleveland where I also stayed approximately 2 days. I paid \$5.50 for my hotel room which I shared with another employee of the Department. This was the last available room. My meals again averaged \$3.50 per day, and again the trip cost me about \$2.50 per day out of my own pocket.

The third trip I just completed last week to New York City. I stayed approximately a day and one-half. My hotel cost me \$5.50 plus 28 cents New York City tax, or a total of \$5.78. This left me 22 cents to defray the cost of meals, tips, etc. My meals averaged approximately \$3.25 out of my own pocket to defray the cost of this travel.

I have made several trips during the past 2 years to New York, Atlanta, Birmingham, Dallas, Kansas City, and Chicago, and in each and every one of these trips my actual expenses exceeded by no less than \$2.50 per day the per diem allowance. This is a conservative estimate. I also attach herewith statements from James Miller, supervising attorney, and John Mealy, assistant supervising attorney, with respect to the inadequacy of per diem allowance disclosed by their stated travel.

JANUARY 6, 1949.

To: Edward F. Gallagher.

From: E. K. Jenkins (r. e. l.).

Subject: Justification of expenses.

In answer to your telephone conversation we have the following report to make. We hope this information is of value and assistance to you. An accurate account of our expenses was kept over a period of 8 months, recording even the smallest amount; the finding was approximately a loss of \$3 a day while in travel status over the period. However, for an actual sample month we are sending the figures for August 1948, with the hotel statements to substantiate the figures. Although the hotel rates are in the \$5 range, these are considered the "minimum rate" which is always requested when making reservations.

Aug. 2:		Aug. 16:	
Taxi.....	\$0. 65	Taxi.....	\$0. 65
Tip.....	. 10	Room.....	3. 65
Aug. 3:		Tips.....	. 40
Taxi and tip.....	. 75	Aug. 17:	
Room.....	5. 00	Meals.....	4. 35
Meals.....	3. 85	Taxi.....	. 75
Tips.....	. 50	Tips.....	. 60
Aug. 4:		Aug. 18:	
Taxies.....	1. 00	Taxies.....	1. 25
Meals.....	4. 05	Bus fares.....	1. 20
Room.....	5. 50	Room.....	45. 00
Tips.....	. 55	Meals.....	26. 75
Aug. 5:		Tips.....	3. 00
Taxi.....	. 35	Aug. 30:	
Meals.....	4. 20	Taxies.....	1. 65
Tips.....	. 70	Meals.....	3. 00
Aug. 6:		Room.....	3. 85
Taxi and tips.....	. 75	Tips.....	. 50
Aug. 10:		Aug. 31:	
Taxi and tips.....	. 75	Room.....	3. 25
Aug. 11:		Meals.....	3. 50
Taxi.....	. 35	Tips.....	. 50
Room.....	4. 45		
Meals.....	4. 75	Total expenses during	
Tips.....	. 60	the month while in	
Aug. 12:		travel status.....	148. 90
Taxi and tip.....	. 45	Reimbursed by Government;	
Meals.....	4. 50	total of expense voucher.....	134. 40
Tips.....	. 50		
Aug. 13:		Net loss, August 1948...	14. 50
Taxi and tip.....	. 75		

MINORITY REPORT

PROMISES WITHOUT PERFORMANCE

Ever since 1932, when Presidential candidate Franklin Delano Roosevelt included in his campaign promises one which definitely promised a 25-percent reduction in Federal expenditures, both Democrat and Republican Party platforms and the candidates of both parties have repeatedly promised the taxpayers of this Nation a reduction in Federal expenditures.

The failure of our national policy makers to keep us out of a war—a war which gave us a Stalin and a communistic Russia, in lieu of a Hitler and a Nazi Germany, as Public Enemy No. 1, is a partial excuse for the stupendous increase in our national debt and the confiscatory taxes with which our people are, and the future generations will be, burdened. It is an excuse for, but not an answer to, our failure to economize.

Two wars—the first fought to end all wars—the second to carry the “four freedoms” throughout the world, have left the world with active fighting on four fronts, millions of slave laborers, and millions of people under the domination of Communist leader, Joe Stalin. While we ourselves are not in a shooting war, we are in a “cold war,” an economic war. We are at the moment signing up allies to form a coalition of nations which we hope will win the next world war. We are back to the Old World balance of power theory.

If the refusal of Congress to bring about some economy, greater efficiency in our executive departments, our repeated gifts of billions of dollars to other nations and peoples continue, it is evident that we will ultimately come to the end of our resources. It is equally apparent that, having reached that point, we will not only be unable to help others, but to adequately defend ourselves.

Notwithstanding these two wars, the nations of the world are not at peace. We are about to enter into an Atlantic Pact which, whatever may be its legalistic wording and interpretation, commits us to be a participant in any war which may come to any one of the nations signing that pact. We on one side, Russia on the other, are striving to reestablish the old balance-of-power arrangement. But in this case we do not reserve to ourselves the right to go in, or stay out of, a war—no matter by whom, or for what cause—started.

We are now committed to an additional Marshall plan of some \$5,550,000,000. Our national defense program, if you wish to call it that, calls for an expenditure of something like \$15,000,000,000. Aid to veterans will require around \$6,000,000,000. The interest charge on the national debt will cost something like \$6,000,000,000 per annum. Other programs require other billions.

From the foregoing, which is brief and incomplete, and from the facts known to every member of the committee, it is perfectly clear, and I doubt if anyone will every deny, that, unless we economize on

some front, we will go the way of all nations which have consistently and persistently in their expenditures exceeded their incomes.

We promise our constituents that we will cut down Federal expenditures but, due to the pressure of first one group, then another, we do not keep faith with our people.

In the current Congressional Record of February 7, 1949, page A-619 and subsequent pages, there is a statement by the chancellor of the University of Kansas, entitled "America the Profligate" from which I quote this paragraph:

In 1933, our national debt was \$22,000,000,000; in 1948, it has swollen to \$252,000,000,000; 11 times as great.

In 1933 there were 572,000 Federal civilian employees; in 1948 there were 2,200,000—or four times as many. In 1933, also, these Federal civilian employees were paid \$972,000,000; in 1948, they were paid \$6,000,000,000, or over six times as much. And in 1948, the Federal Government added an additional civilian employee every 3 minutes—or 513 per working day, or 150,000 for the year.

In 1915, there were 158 Federal bureaus and divisions; in 1932, there were 529; in 1944, 1,141; in 1948, 2,700. Our very laws foster the growth of bureaucracy, because our civil-service law bases the pay of Federal employees on the number of underlings.

We have taken onto the Federal pay roll 24,288 personnel specialists; there are twenty-odd lending agencies, there are 45 agencies concerned with housing. For some strange reason, there are 400 people in the Legal Division of the Department of Agriculture. There is one employee in the Bureau of Indian Affairs for every six Indian families in America. Chicago alone has 530 Federal offices.

In a recent year, the Federal Government gave hand-outs to individuals and grants-in-aid to local and State governments totaling \$5,500,000,000. One Federal agency spent \$100,000,000 to keep prices down; another spent \$80,000,000 trying to keep prices up.

And in all this welter of bureaucratic confusion there is no complete accounting system and no complete set of books.

On page 2093 of the Congressional Record of March 9, there is a statement by Senator Byrd which shows that in 1948 the executive department added to its pay roll more than 101,000 additional employees. The table on the following page shows that, in December of 1948, the pay of the civilian employees in the executive branch of the Government was \$64,000,000 more than it was in the preceding month.

The present bill increases the travel allowance of civilian Federal employees who are required to leave their "post of duty" on Government business, from 5 to 7 cents per mile when using their own automobiles.

The bill proposes to increase the subsistence allowance from a maximum of \$6 per day to a maximum of \$9 per day (original figure was \$10).

It is assumed that the cost of travel and the cost of sustenance has over the years increased. No doubt that is true, but whether those costs will go up or down during the next few years is wholly problematical.

The most recent report of the Bureau of Labor Statistics shows that we have had a 5-month consecutive decrease in the national over-all retail prices and this decline is the longest consecutive one in 10 years. The same report shows that food prices have continued to decrease for seven consecutive months.

From statements on record, there is proof that both President Hoover and President Roosevelt were utterly mistaken in their predictions on the question of future employment and cost of living—the first predicted that prosperity was just around the corner—the second

predicted unemployment, the necessity for creating some 8,000,000 Federal jobs. Each was completely mistaken, though each had the advice of a staff of so-called experts.

One thing experience has demonstrated and that is that seldom, if ever, when a job in the executive department has been created or a rate of pay established, is the job either abolished or the rate of pay lessened.

The argument in support of this bill is that no Federal employee should be required to spend his own money while engaged in Government business away from his assigned place of duty. That argument would be sound if the Federal employee did not know his rate of and total pay and his duty when he applied for the job.

The answer to the argument is that, on the whole, except for top positions, there are many applicants for every Federal job—and from qualified applicants who know the rate of compensation and the task for which they apply. To those of us who believe in the law of supply and demand, that situation is proof positive that Federal employees are not underpaid; that they receive ample compensation for the work they perform. Men do not usually apply for underpaid jobs.

It is true in some instances that the monetary rewards for services rendered in some of the professions, in some businesses, and in some industries, are greater than for a comparable service rendered in the executive departments of State or Federal Governments. But the direct financial compensation of the civilian employee in the executive branch of the Federal Government is but a part of the story.

The Federal employee with one exception has sick leave of 15 days and a vacation allowance of 26 working days each year. In the one exception, the postal employees, the sick leave allowance is 10 days and the vacation leave is 15 days.

The Federal employee has a 5-day week. If a holiday falls on a Thursday, he will sometimes get Friday, as well as Saturday, off. Sometimes, if there is some celebration in which the administration is interested, as recently when President Truman-elect returned to Washington, there is an additional day or two of vacation.

In short, the Federal employee's work year calls for about 220 days of employment; his compensation is on a yearly basis. (Days in a year number 365. Subtract 26 days of vacation; 15 days for sick leave; 52 Sundays; 52 Saturdays and certain other holidays—leaves less than 220 8-hour workdays).

The Federal employee has retirement pay, for which he, of course, pays a part.

The Federal employee never misses a pay check, no matter how much his employer—the Government—may lose during a year. No matter how great the Federal deficit, the Federal employee gets his check on the appointed day.

The Federal employee, all things considered, has one of the best jobs available in the United States of America. He takes that job with his eyes open, knowing his rate of compensation, the task confronting him, and the approximate effort required to efficiently perform that task.

There is no more reason for paying the cost of his food and lodging while absent from his post of duty on the regular work pertaining to his job, than there is for paying every man who works at a job for the

time and expense of traveling to and from that job or while away from home.

Mr. James Doran, Chief Post Office Inspector, testified that, with few exceptions, the employees of his Department would be fully compensated if they received \$8 per day for subsistence.

It would seem that a per diem increase from \$6 to \$9—a net increase of \$3 per day, is an invitation to travel, unfair to the average taxpayer and grossly excessive when compared with \$50 or less per month paid to millions of our needy citizens.

True, the cases are not comparable, but the wide spread between \$9 per day paid the Federal employee and the \$1.70 per day paid the needy, aged, and unfortunate citizens, should give us pause.

All admit the necessity for a reduction in Federal expenditures—very few will, when the occasion arises, meet the issue, vote to reduce expenditures. Very few will refuse to yield to the demand of the bureaus and the Federal employees for an increase in Federal expenditures.

While the \$9 per day is the maximum, not the minimum, experience and the record show that every dollar appropriated to the various departments for these particular items is expended.

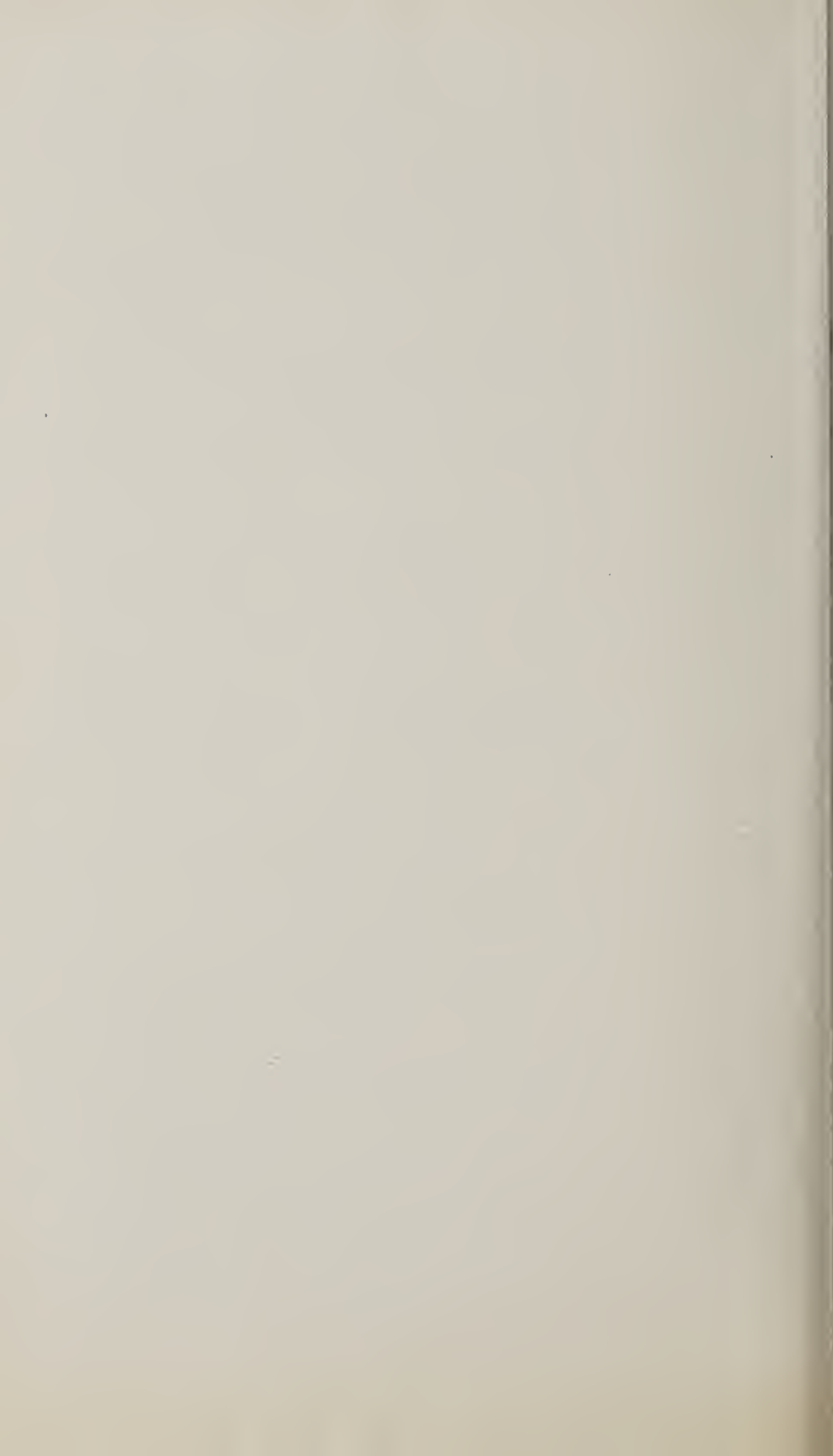
If in one bureau of a department there is a reduction of employees, an increase in the rate or the number of employees in other bureaus invariably absorb the whole appropriation and sometimes calls for a deficiency bill.

If the promises of candidates for office that Federal expenditures would be reduced, if they were elected, are ever to be kept, even the most simple-minded will recognize the fact that some time we must make a beginning. Why not here? Cannot we at least hold the line?

Respectfully submitted.

CLARE E. HOFFMAN.





81ST CONGRESS
1ST SESSION

H. R. 3005

[Report No. 389]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1949

Mr. KARSTEN introduced the following bill; which was referred to the Committee on Expenditures in the Executive Departments

APRIL 5, 1949

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Travel Expense Act of
4 1949".

5 SEC. 2. When used in this Act—

6 (1) The term "departments and establishments" means
7 (A) any executive department, independent commission,
8 board, bureau, office, agency, or other establishment in the
9 executive branch of the Government, including wholly
10 owned Government corporations and the municipal govern-
11 ment of the District of Columbia, and (B) any office,

1 agency, or other establishment in the legislative branch of
2 the Government (except Members of Congress and offices
3 and committees of the Senate and the House of Representa-
4 tives), and (C) any office, agency, or other establishment
5 in the judicial branch of the Government.

6 (2) The term "subsistence" means lodging, meals, and
7 other necessary expenses incidental to the personal sus-
8 tenance or comfort of the traveler.

9 (3) The term "per diem allowance" means a daily flat
10 rate of payment in lieu of actual expenses.

11 SEC. 3. Civilian officers and employees of the depart-
12 ments and establishments (except justices and judges), while
13 traveling on official business and away from their designated
14 posts of duty, shall be allowed, in lieu of their actual ex-
15 penses for subsistence and all fees or tips to porters and
16 stewards, a per diem allowance to be prescribed by the de-
17 partment or establishment concerned, not to exceed the rate
18 of ~~\$10~~ \$9 within the limits of the continental United States
19 and in case of travel beyond the limits of the continental
20 United States not to exceed rates established by the Director
21 of the Bureau of the Budget for the locality in which the
22 travel is performed.

23 SEC. 4. Civilian officers or employees of departments
24 and establishments or others rendering service to the Govern-
25 ment shall, under regulations prescribed by the Director of

1 the Bureau of the Budget, and whenever such mode of trans-
2 portation is authorized or approved as more advantageous
3 to the Government (except that no determination of ad-
4 vantage is required where payment on a mileage basis is
5 limited to the cost of travel by common carrier, including
6 per diem), be paid in lieu of actual expenses of transportation
7 not to exceed 4 cents per mile for the use of privately owned
8 motorcycles, or 7 cents per mile for the use of privately
9 owned automobiles or airplanes, when engaged on official
10 business within or outside their designated posts of duty or
11 places of service. In addition to the mileage allowances
12 provided for in this section, there may be allowed reimburse-
13 ment for the actual cost of ferry fares, and bridge, road, and
14 tunnel tolls.

15 SEC. 5. The departments and establishments may ad-
16 vance, through the proper disbursing officers to any person
17 entitled to per diem or mileage allowances under this Act,
18 such sums as may be deemed advisable considering the char-
19 acter and probable duration of the travel to be performed.
20 Any sums so advanced and not used for allowable travel
21 expense shall be recoverable by set-off of salary due, retire-
22 ment credit, or otherwise, from the person to whom ad-
23 vanced, or his estate, by deduction from any amount due
24 from the United States, or by such other legal method of
25 recovery as may be necessary.

1 SEC. 6. The fixing and payment under this Act of travel
2 allowances, of advances and recovery thereof, and reimburse-
3 ment of travel expenses under the Act of March 3, 1875
4 (5 U. S. C. 73), shall be in accordance with regulations
5 which shall be promulgated by the Director of the Bureau
6 of the Budget.

7 SEC. 7. This Act shall not be construed to modify or
8 repeal any Act providing for the traveling expenses of the
9 President of the United States, President of the Senate, of
10 Senators, Representatives, Delegates, and Resident Com-
11 missioners.

12 SEC. 8. (a) The Subsistence Expense Act of 1926 and
13 the Auto Mileage Act of February 14, 1931, are repealed.
14 All Acts (other than the Act of March 3, 1875 (5 U. S. C.
15 73), and appropriation items for examination of estimates
16 in the field) providing for reimbursement of actual travel
17 or transportation expense; and all other Acts, general or
18 special, which are inconsistent with or in conflict with the
19 provisions of this Act (except such Acts or parts of Acts
20 as fix or permit rates higher than the maximum rates estab-
21 lished under this Act) are hereby modified, but only to
22 the extent of inconsistency or conflict with the provisions
23 of this Act: *Provided, however,* That Acts making appro-
24 priations for the fiscal years 1949 and 1950 (whether ap-
25 proved before or after the approval of this Act) which

1 authorize or permit, in either general or specific terms, the
2 payment of travel or transportation expenses without regard
3 to the Subsistence Expense Act of 1926, as amended, or
4 the Standardized Government Travel Regulations, shall be
5 construed to authorize payment of such expenses from the
6 appropriation concerned without regard to this Act.

7 (b) Wherever provision is made in any law for the
8 payment of per diem allowances to officers and employees
9 in any branch or establishment of the Government not
10 covered by this Act, in accordance with the rates provided
11 in the Subsistence Expense Act of 1926, such law is hereby
12 amended to provide for payment at the rates prescribed in
13 or under this Act.

14 SEC. 9. This Act shall take effect on the thirtieth day
15 after the date of its enactment.

81ST CONGRESS
1ST SESSION

H. R. 3005

[Report No. 389]

A BILL

To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

By Mr. KARSTEN

FEBRUARY 24, 1949

Referred to the Committee on Expenditures in the Executive Departments

APRIL 5, 1949

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

CONSIDERATION OF H. R. 3005

MAY 5, 1949.—Referred to the House Calendar and ordered to be printed

Mr. McSWEENEY, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 205]

The Committee on Rules, having had under consideration House Resolution 205, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 54

81ST CONGRESS
1ST SESSION

H. RES. 205

[Report No. 519]

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 1949

Mr. McSWEENEY, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution it shall be in order to move that the House
3 resolve itself into the Committee of the Whole House on
4 the State of the Union for the consideration of the bill
5 (H. R. 3005) to regulate subsistence expenses and mileage
6 allowances of civilian officers and employees of the Govern-
7 ment. That after general debate, which shall be confined
8 to the bill and continue not to exceed one hour, to be
9 equally divided and controlled by the chairman and ranking
10 minority member of the Committee on Expenditures in
11 the Executive Departments, the bill shall be read for amend-
12 ment under the five-minute rule. At the conclusion of the

1 consideration of the bill for amendment, the Committee
 2 shall rise and report the bill to the House with such amend-
 3 ments as may have been adopted and the previous question
 4 shall be considered as ordered on the bill and amendments
 5 thereto to final passage without intervening motion except
 6 one motion to recommit.

House Calendar No. 54

81ST CONGRESS
1ST SESSION

H. RES. 205

[Report No. 519]

RESOLUTION

Providing for the consideration of H. R. 3005,
 a bill to regulate subsistence expenses and
 mileage allowances of civilian officers and
 employees of the Government.

By Mr. McSWENNEY

MAY 5, 1949

Referred to the House Calendar and ordered to be
 printed

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert "That, notwithstanding the provisions of section 3709, as amended, of the Revised Statutes of the United States, or any other provision of law, the Public Housing Commissioner is hereby authorized by means of negotiated sale or sales and without competitive bidding or public advertising, to sell and convey, at fair market value as determined by him on the basis of an appraisal made by an independent real-estate expert selected by the Commissioner and subject to such terms and conditions as he may determine to be in the best public interest, to such purchaser or purchasers as he deems to be responsible, all right, title, and interest of the United States in or to all or any part of the suburban resettlement projects known as Greenbelt, Md.; Greendale, Wis.; and Greenhills, Ohio (including improved and unimproved lands, war housing constructed on lands of or adjacent to said suburban resettlement projects and personal property used in connection with said projects or housing): *Provided, however,* That the Public Housing Commissioner shall, during such period as he deems to be reasonable, give a first preference in such negotiated sale or sales to veteran groups organized on a nonprofit basis (provided that any such group shall accept as a member of its organization, on the same terms, subject to the same conditions and with the same privileges and responsibilities, required of, and extended to other members of the group, any tenant occupying a dwelling unit in such project at any time during such period as the Commissioner shall deem appropriate, starting on the effective date of this act, and who shall be a tenant therein at the time of making application for such membership), and may sell to such groups at fair market value (as determined by him on the basis stated above) or at cost (as determined by him, including the apportioned cost of structures, lands, appurtenances, and personal property transferred, together with the apportioned share of the cost of all utilities and other facilities provided for and common to the project of which any property being sold is a part), whichever is lower, except, however, that in the event two or more such groups desire to purchase any such project they shall be required to submit sealed bids therefor and the award shall be made on the basis of the highest acceptable monetary return to the Government: *And provided further,* That evidence is furnished to the Commissioner, satisfactory to him, that the compensation paid or to be paid for organizing such groups, for negotiating the purchase of such property, and for financing such purchase is fair in relation to the purchase price and reasonable on the basis of time effectively devoted to such services on a professional or similar basis: *And provided further,* That in the event of a sale other than for cash, the Commissioner shall require a down payment of at least 10 percent of the total purchase price, the balance to be amortized over a period of not more than 25 years, the unpaid balance to bear interest at the rate of 4 percent per annum and the payment of any unpaid balance to be secured by a first mortgage or deed of trust against the properties sold. The Commissioner is authorized, as a condition of any sale hereunder, to transfer, or to require the transfer or an agreement for the transfer of, streets, roads, public buildings, federally owned utilities, playgrounds, swimming pools, and parks including adequate open land surrounding or adjacent to each project to the appropriate non-Fed-

eral governmental agency, at such times, to such an extent, and upon such terms and conditions as he shall determine to be in the public interest.

"Sec. 2. As used in this act, (1) the term veteran means any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released from active service under conditions other than dishonorable, and (2) the term 'groups organized on a nonprofit basis' shall include but not be limited to, mutual ownership or cooperative housing associations or limited dividend corporations which by the terms of their charters and bylaws have limited their rate of return to a rate no higher than the Public Housing Commissioner deems reasonable and necessary."

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I do so only for the purpose of asking the gentleman from Kentucky [Mr. SPENCE], the chairman of the committee, if he will not explain briefly what the Senate amendments are?

Mr. SPENCE. Mr. Speaker, this is a bill that passed the House by unanimous consent. It provides for the sale of Greenbelt, Md.; Greenhills, Ohio, near Cincinnati; and Greendale, Wis., near Milwaukee.

There are certain groups largely composed of veterans who are very anxious to purchase these properties that are now in a position to proceed with the purchase. The Senate made no material changes in the bill. It provided, however, that limited-profit corporations might participate. That will permit an organization in Cincinnati, which is greatly interested in the purchase of Greenhills, to participate in the purchase.

Our bill provided that the tenants in the project will have a right to remain there if they join the cooperative, but it provided no time in which they should designate their intention. The Senate bill provided that the Public Housing Administrator may fix a time in which the tenant shall become a member of the cooperative; otherwise there might be an organization for the purpose of purchasing who would not know its rights until the tenants had expressed their desire whether or not they should remain.

I think the Senate amendments are meritorious. They meet with the approval of all those who are interested in the purchase of these properties. I have heard from those in Cincinnati and those in Wisconsin. They are heartily in favor of the bill as passed by the Senate. For that reason I ask that the House concur in the amendments adopted by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES

Mr. SMITH of Virginia. Mr. Speaker, on behalf of my colleague, the gentleman from Ohio [Mr. McSWEENEY] and by direction of the Committee on Rules, I call up House Resolution 205 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3005) to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, this is a rule for the consideration of the bill H. R. 3005. The bill which this rule makes in order has for its purpose to increase the subsistence allowance of Federal employees when they are on travel time. For a long time now it has been found that Federal employees who were required to travel and to pay their subsistence found that the cost of subsistence when away from home was greater than the Federal allowance. It has been found desirable to increase that in a moderate amount so that they will not be out of pocket by reason of their travel.

The bill is reported from the Committee on Expenditures in the Executive Departments. I know of no opposition to the resolution or to the bill. The resolution authorizes debate not to exceed 1 hour.

Mr. Speaker, I now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Virginia has so well explained, House Resolution 205 does make in order the consideration of the bill H. R. 3005, under 1 hour of general debate.

H. R. 3005 was reported by the House Committee on Expenditures in the Executive Departments. It has two principal features. The first would increase from \$6 per day to \$9 per day the ceiling or limit which could be expended, and for which a Federal civilian employee could be reimbursed, for subsistence. It also provides an increase of the ceiling on the mileage allowances for travel on official business by private car or private airplane from 5 cents to 7 cents per mile.

There is a rather exhaustive report on this bill from the Committee on Expenditures in the Executive Departments. There has been a general acknowledgment of the fact that \$6 a day in many instances is not sufficient to meet the cost of subsistence for Government employees and officials, and that the amount ought to be increased. You will note from the report that minority views have been expressed on this measure. Seemingly the only division which arose in the House Committee on Expenditures in the Executive Departments in the consideration of this bill was as to just what the ceiling or limitation on the allowances should be. In other words, the question was how much should be fixed as the amount allowable, if expended, for the subsistence of various Government officials and employees. As I understand it, of course, if any official of the Government cannot recover from the Government more than his actual expenses up to the limits fixed. This bill is one which should receive the careful and sympathetic attention of the Congress. I hope the rule will be promptly adopted.

Mr. McSWEENEY. Mr. Speaker, we have no further requests for time. I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. KARSTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3005) to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3005, with Mr. BATES of Kentucky in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KARSTEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill under consideration, H. R. 3005, provides for regulating subsistence expenses and mileage allowances of civilian officers and employees of the Government. This bill is very easy to understand. It provides for an increase in the per diem allowance for Federal employees and also grants a slight increase in the mileage allowance.

At the present time Government employees who are required to travel on official business are allowed up to a maximum of \$6 per day to cover their extraordinary expenses while they are away from their station. This is grossly inadequate, in view of the present-day living and traveling costs.

Testimony before our committee developed the fact that the average hotel room costs approximately \$5.27 a day. By the words "average hotel room" I do not mean accommodations in the best hotels, but rather the average hotels where Government employees would or-

dinarly stay. Five dollars and twenty-seven cents for the room leaves 73 cents out of the \$6 for meals, tips, and other incidentals. There is no possible way one could stretch 73 cents into three meals.

To my mind, in view of the evidence and testimony, there is no question but that the per diem allowance should be increased. We cannot expect Government employees to go out on official trips and be required to spend out of their own funds just for the privilege of working for the Federal Government. This is exactly the situation today. Many witnesses before the committee submitted their actual travel costs showing that on their official trips they were required to use their own funds to pay obligations that should fall upon the Government.

The pending bill provides for an increase up to \$9 per day. That is only \$3 more than the present allowance, and I should like to point out that under the terms of the bill the \$9 rate is not mandatory. There is no question in my mind but that many departments will be able to send their employees out on per diem allowances of less than \$9 per day, and the bill will permit them to do so. The departments have expressed their intention to do so when compatible with circumstances.

Hearings before the committee brought out that many of the departments today do not allow the full per diem allowance. This is especially true in sparsely settled areas and the western sections of the United States, where camp parties or survey groups of the Federal Government are sent out. In such instance the per diem allowance could be limited to a dollar or two a day. At the present time the per diem for such trips is often as low as \$1.50 per day.

On the other hand, where employees are sent to metropolitan areas under this bill, the per diem allowance can be adjusted to meet the higher costs found there. There must be necessarily left a reasonable degree of latitude to the discretion of the heads of the various agencies. The hearings brought out that the Government agencies and departments are doing an excellent job of administering per diem costs, and I am confident that should this bill be enacted they will continue to follow the same sound policies.

The legislation also provides for increasing the mileage allowance for privately owned automobiles used for Government business. At the present time the mileage rate for private automobiles is 5 cents per mile. This bill would authorize the payment of 7 cents per mile.

There is no question but that an increase in the mileage rates should be approved. In the last session of Congress we passed a bill granting 7 cents a mile for rural mail carriers, United States marshals, and their deputies. As I recall, there was no opposition to the legislation last year.

The price of automobiles has almost doubled since the 5-cent-per-mile rate was originally established. Then, too, there has been great increases in the cost of repairs and many Government

employees who are required to use old automobiles are subject to much heavier operating expenses than in the past. Another factor the committee considered was the fact that gasoline prices and repair-maintenance costs have materially increased over the past few years.

The bill also contains a provision increasing the rate of mileage allowance for private motorcycles and private airplanes which are used in connection with Government business. For private motorcycles the proposed rate change is from 2 cents to 4 cents a mile and for private airplanes from 5 cents to 7 cents per mile.

I should like to point out to the committee that mileage may not be allowed under the law unless it is determined that the use of a private car, motorcycle, or airplane is more advantageous to the Government. That requirement is retained in the pending bill except that a specific determination of advantage will not be required where payment on a mileage basis is limited to the cost of travel by common carrier.

The Committee on Expenditures in the Executive Departments held extensive hearings on the bill. It was favorably recommended by the Comptroller General, as well as the Bureau of the Budget. Many witnesses were heard and everyone who came before the committee favored the bill.

Similar legislation passed the other body during the last session of Congress. There was no dissenting vote against the bill. When the measure came over to the House a brief hearing was held by the Committee on Expenditures in the Executive Departments but Congress adjourned before the House could act on the measure.

I cannot conceive that there should be any opposition to the bill at this time. The Democratic platform states:

We will continue our efforts to improve and strengthen our Federal Civil Service and provide adequate compensation.

Surely there should be no opposition on this side of the aisle. The Republican platform also contains a similar provision. It states:

We propose a well paid and efficient Federal career service.

In view of this there should not be any opposition on the other side of the aisle.

Data submitted by the Bureau of the Budget indicated that the maximum cost of the bill, as amended, would be \$57,800,000 per year, based upon total estimated cost for civilian travel of \$151,000,000 for the fiscal year 1949. Of that total, slightly more than 54 percent would be chargeable to the per diem for subsistence, or approximately \$40,800,000 while almost 20 percent or \$12,000,000 would be required for the increased automobile mileage allowance. Again, the estimate of \$52,800,000 is a maximum, and the actual expenditures under the bill would be less than the maximum, to whatever extent travel orders authorize rates below the maximum.

In addition to testimony and data supplied by the Bureau of the Budget, your committee heard representatives of the Civil Service Commission, the Depart-

ments of Agriculture, Commerce, Interior, Justice, Labor, Post Office, and Treasury. The testimony of these witnesses contains numerous examples of actual cases in which employees, particularly those required to visit large cities under crowded conditions, actually have been required to spend amounts considerably in excess of \$10 per day for lodging and meals. Your committee also heard testimony from various employee unions to the same effect.

I would like to have seen the maximum per diem allowance for Federal employees increased to \$10 and in preparing this measure I used that figure. The committee, however, in amending the bill, reduced the maximum allowance to \$9.

I am willing to go along on that figure because, while it may not be adequate in a small number of cases, it will enable the average Government employee to carry on his official duties while away from his station without being required to use his own funds. The bill is fair and represents an answer to a need. I hope it will be adopted.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield.

Mr. JENSEN. I wonder if the gentleman can give us an estimate, and a close estimate, of the amount of money that was expended in the fiscal year 1948 for travel and per diem expenditure by the Federal employees?

Mr. KARSTEN. For the fiscal year 1949 I have the figure, and I imagine that will furnish a comparison. It was \$317,000,000, of which military travel was \$166,000,000 and civilian travel \$151,000,000. There is no attempt to deal with military travel in this bill.

Mr. JENSEN. Of course, the Members of Congress who are trying to hold down Government expenditures—and many of us feel that the Federal Government is greatly overstaffed, possibly to the tune of 750,000 employees—it is rather difficult for a Member of Congress who would like to be fair with the Federal employees to go along on this bill which permits this \$9 per day when we know that the Federal Government is so terrifically overstaffed. If the Administration would make an attempt to reduce the personnel of the Government to the point it should be many of us could go along with this bill.

Mr. KARSTEN. I, too, favor the strictest economy in the operation of our Government. I believe we should not spend a nickel that is not necessary, but I believe the gentleman from Iowa, whom I have known ever since he has been a Member of Congress, is fair. He certainly would not ask a Government employee to go up to New York at his own expense while traveling on official business.

Mr. JENSEN. No; but as long as we are providing everything for all of these Federal employees, everything the administration asks for, we are going to keep on piling up additional needless administrative help on the backs of the taxpayers.

Mr. KARSTEN. I might also point out to the gentleman that the \$9 rate provided in the bill is not mandatory.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. KARSTEN. Mr. Chairman, I yield myself two additional minutes.

The CHAIRMAN. The gentleman from Missouri is recognized for two additional minutes.

Mr. KARSTEN. As I say, this \$9 is not mandatory. The department heads have a great deal of discretion; as a matter of fact some employees are sent out on a per diem of \$1.50. The same practice is going to be followed in the future, regardless of whether the per diem is \$9 or \$6; they can reduce it.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield.

Mr. PRICE of Illinois. The gentleman from Iowa probably operates on the theory that if you could get the employees to travel at their own expenses you would have a more efficiently operated Government.

Mr. KARSTEN. That, no doubt, is his philosophy.

Mr. WAGNER. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield.

Mr. WAGNER. I may state for the benefit of the gentleman from Iowa that the per diem figure for 1948 as furnished by the Bureau of the Budget was \$328,000,000.

Mr. KARSTEN. That is somewhat higher than the 1949 estimate.

Mr. WAGNER. For 1949 it was \$317,000,000.

Mr. KARSTEN. Mr. Chairman, I reserve the balance of my time.

Mr. HARVEY. Mr. Chairman, I yield myself 3 minutes.

(Mr. HARVEY asked and was given permission to revise and extend his remarks.)

Mr. HARVEY. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, H. R. 3005, a bill to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government, is a realistic acknowledgment of the unrealistic travel and expense law under which the servants of our Government are operating. The fact that the subsistence phase of the law dates to 1926, and the automobile mileage to 1931, is evidence enough of the situation.

In the hearings before our committee it was brought out that the \$6 per day ceiling during the thirties did actually represent a ceiling. Many Government employees could travel for less than this amount and did do so, however, the \$6 figure in recent years has been so unrealistic that budget officials of the various departments or agencies have simply granted the \$6 automatically knowing that it was inadequate to meet even the bare essentials of living away from home. Our committee heard considerable testimony, much of which has been set forth by the gentleman from Missouri [Mr. KARSTEN].

The estimated cost of the increase will be \$40,000,000. While this is an estimate, and a sum not to be lightly regarded, it is in my opinion a fair increase.

While serving in the General Assembly in Indiana, it fell to the lot of a house-

senate committee of which I was chairman, to revise the subsistence pay for employees of the State of Indiana. After much research on this particular subject, we raised our per diem subsistence from \$6 to \$8. It should be remembered however that in arriving at the \$9 figure for the Federal level, that in Indiana when a Government employee leaves his post of duty in Indianapolis, any place in which he might stop would be a second- or lower-class city. For this reason a higher ceiling than the \$8 established in Indiana is a fair recognition of the differential that should be accorded to employees who are required to live in our larger cities.

It should also be borne in mind that the \$9 figure does represent a ceiling. We have ample evidence that those departments or agencies using the greatest amount of travel allowance, have adequate facilities for administering the law so that many of their personnel will travel for less than the ceiling.

The increase in this bill for automobile travel from 5 cents to 7 cents per mile is also another realistic realignment which was long overdue. The increased cost of auto travel due to higher original purchase price which means greater dollar depreciation as well as increased operating cost, will make this a fair piece of legislation for those employees who must travel by privately owned automobiles.

In conclusion may I simply say that this legislation represents the result of much of the constructive thinking of our committee and I can commend it to the House without qualification.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The action taken by the committee, in my opinion, is the proper action to take, because the Federal employees have not been getting enough to cover their traveling or per diem expenses. But if we fixed it at \$9, the tendency might be to encourage more travel instead of less travel. In the case of a good many of our agencies there is too much traveling doing nothing. If Congress could limit the amount of travel only to necessary travel on the part of employees, we would really save money by the \$9 ceiling.

Mr. HARVEY. I agree with the gentleman, and that was brought out in the committee. Possibly there are good arguments on both sides of the question, but it must be remembered that all classes of Government employees travel on the same subsistence and per diem, which means that some of the higher-grade employees, as far as civil service or classification is concerned, are going to travel even at the \$9 ceiling at a distinct loss.

I would just simply like to say that it is impossible ever to arrive at the best figure in a case of this kind. We thought we did arrive at a fairly accurate one, because the extensive reports we had of expenses actually showed that a person traveling under ordinary conditions would have expenditures of around \$8.80.

Mr. AUGUST H. ANDRESEN. Well, I do not dispute that, but what I have in

mind is this, that there is a lot of traveling on the slightest provocation to go to some convention or meeting, or even a trip that is not necessary, and that is where it increases the expenses for this travel all the time.

Mr. HARVEY. I would agree that probably there is some of that element entering into it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Indiana.

Mr. HALLECK. I first of all want to commend the gentleman from Indiana [Mr. HARVEY] for his very able presentation of this matter, and to say also that as a member of the Committee on Expenditures in the Executive Departments he has studied this matter very carefully. I join with the gentleman from Indiana, my colleague, in support of the measure. I would like to say at this point, in view of the interrogation by the gentleman from Minnesota, that certainly I, too, on many occasions am convinced that there is unnecessary travel by Government employees. I can understand that the urge to move around can strike now and then, and probably the urge does result in travel that should not be made. However, each of the appropriation bills that comes along fixes the amount of money for travel for the agency involved, and it would seem to me that the job for us is to fix fair, realistic pay scales for maintenance and travel, and then to govern the matter of over-all travel in the agency by a careful study as to how much travel is advisable and necessary, and limit the appropriation to that amount.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. KARSTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. WAGNER].

Mr. WAGNER. Mr. Chairman, I believe that our good friend, the gentleman from Missouri [Mr. KARSTEN], the chairman of the subcommittee, has made a very able presentation of the history of this bill and a very able presentation of the necessity for its passage.

I might say that our whole committee conducted extensive hearings and arrived at a conclusion that the \$9-a-day figure was an adequate and a fair figure. There were some of us on the committee who were of the opinion that the \$9 was not sufficient; there were others who thought the figure should be placed at \$10. I believe that a reading of the committee report will bear out the fact that it was almost a unanimous approval of the \$9 figure. Of course, as was brought out by the genial gentleman from Missouri, this \$9 figure does not mean that every person traveling will get \$9. There are some cases where a person goes to a small town and where expenses are considerably less, and it is the duty of the head of the Department to see that the travel allowance be in keeping with the territory in which the person is traveling.

I believe further that the figure of 7 cents a mile is a very fair figure, because statistics will show and the testi-

mony will show that 7 cents is hardly a sufficient amount when one is traveling, whether for pleasure or on Government business or any place in the United States with the average automobile today. I do not believe that we in Congress, nor the taxpayers of this country, should expect any Government employee to dig into his pocket, and I believe with the past figure of \$6 a day, which had been prevalent for some time, that in at least 80 percent of the cases when Government employees were traveling, they had to dig into their pockets in order to come out even. Nor should we expect them to live in third- or fourth-rate hotels. They are doing a job; they are employees of the Government, and they should live somewhat within their means and within the custom they have been going through in the past. I have found from experience that the average Government employee is doing an excellent job and should be given a decent salary and decent per diem when he travels.

I rise in support of this bill and hope it will be passed.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. WAGNER. I yield to the gentleman from Kansas.

Mr. REES. Do I understand that under this bill the employees who have traveling expenses turn in the actual amount of the expenses, and if it is less than \$9 per day they will not get \$9 a day, or can they just turn in so much a day for each day they are out of the office?

Mr. WAGNER. Not having been a member of that subcommittee, I cannot answer that. I yield to the gentleman from Missouri [Mr. KARSTEN], though, who will probably be able to answer the question.

Mr. KARSTEN. A great deal of discretion was left to the heads of the various executive agencies. They set the per diem ceilings. In some cases the per diem may be as low as a dollar or a dollar and a half. We find that prevalent out in the West, where employees go on pack trips or camping trips, carry their supplies on their backs, and prepare their own meals. Their only expense is perhaps a dollar or two a day. They will not receive \$9. On the other hand, where you have employees going to metropolitan areas where they are subjected to higher living costs, the bill will permit the payment of a per diem up to and including \$9 a day. Does that answer the gentleman's question?

Mr. REES. What I am trying to find out is, will the ordinary employee just turn in an expense account for \$9 per day for the number of days he is away from his office, or is he required on each occasion to file a voucher and an accounting of the amount of his expenses?

Mr. KARSTEN. He cannot turn in \$9 a day unless that is the figure fixed by the head of his agency. The agency heads are given a great deal of discretion in these matters. The agency can say it will be \$6 a day or \$8 a day, depending on the circumstances. That is the policy they have followed, and that is the policy they have indicated they are going to continue to follow.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. WAGNER. I yield to the gentleman from Georgia.

Mr. LANHAM. I think the gentleman from Kansas has in mind a practice that was followed by the Government until a few years ago, under which each employee did submit his itemized statement of expenses.

Mr. REES. That is the way it had been handled until rather recently.

Mr. LANHAM. The policy was changed, as I understand, some years ago because of the accounting expense, so that now the department heads determine what the per diem shall be and, to save accounting expense, simply pay that per diem instead of the exact amount of the expenses.

Mr. WAGNER. I thank the gentleman from Georgia for his contribution.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WILLIAM L. PFEIFFER].

(Mr. WILLIAM L. PFEIFFER asked and was given permission to revise and extend his remarks.)

Mr. WILLIAM L. PFEIFFER. Mr. Chairman, I rise in support of this legislation.

Prior to my becoming a Member of Congress I was deputy comptroller of the State of New York for 6 years. As such, it was incumbent upon the comptroller's office to make studies from time to time of travel allowances and subsistence allowances for State employees. I recall very well that when I first came to Albany, N. Y., we were giving the State employees \$7 a day and paying them 5 cents a mile for driving privately owned cars on State business. The State recognized that amount was inadequate, and engaged the services of Runzheimer & Co., of Chicago, who are specialists in this field, to make a complete study of other agencies, whether Federal or State, and private industry, to see what they were paying for mileage and subsistence allowances.

I believe it was in 1945 that the comptroller raised the subsistence allowance from \$7 to \$8 a day and the mileage allowance from 5 to 6 cents a mile. Again in 1948 recognizing the fact that increasing costs made it difficult for State employees to find adequate housing and to operate their cars without serious financial loss to themselves, it became evident that another increase in rates was inevitable. Accordingly, Mr. Chairman, as recently as July 1948 a new rule was adopted in the State of New York increasing the subsistence allowance to \$9.50 a day and the mileage allowance to 7 cents. I only mention that to show you that I have had some experience in this matter in previous years. As a member of the committee I attended all the committee hearings and listened very carefully to witnesses who appeared before us in their efforts to demonstrate that the \$6 per day now given to Federal employees was inadequate. I do believe there is some unnecessary travel on the part of Federal employees. However, that is a matter of administration. I believe, that with

the cooperation of the department heads, much of this travel could be eliminated. Certainly there is no Member of the House who is more economy-minded than I am. On the other hand, I feel that it is extremely unfair to conscientious Federal employees who are required to perform their duties away from home—I think it is very unfair to require those people to pay money out of their own pockets as was demonstrated so many times during the hearings. I call to your attention at this time that \$9 per day is a maximum amount and that in many cases, as I think some of my distinguished colleagues have pointed out, the cost per day will be far less than \$9. I am sure it is the intention of every Member of the House to be fair to Federal employees and accordingly I sincerely urge all Members to vote for this legislation, as I believe it to be fair.

Mr. Chairman, I yield back the balance of my time.

Mr. KARSTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, I wish to compliment the chairman of the Committee on Expenditures in the Executive Departments on his selection of the gentleman from Missouri, as chairman of the subcommittee which considered this bill, the gentleman from Missouri [Mr. KARSTEN], deserves great credit for his zeal and efforts in bringing this bill before the House. I think it is only simple justice that we compensate these faithful public employees so that at least they will not be out of pocket for personal expenditures made conducting Government business. Back in Ohio, in our towns, our local employees are allowed as high as 12 cents a mile for travel and are allowed all of their expenses—that is, their necessary expenses. I was rather surprised some time ago as a member of the joint House and Senate committee, when we held extensive hearings throughout the United States, to find that we were also limited to \$6 a day. Although this measure will not increase per diem allowances, I was just Scotch enough to resent the fact that after paying my hotel bill and buying my breakfast, I had to start out the day several dollars in the red. I certainly know the resentment of the Members of the House and the other body where they were personally affected, so certainly we should do no less for these Government employees than we would prefer to do for ourselves.

Mr. Chairman, I yield back the balance of my time.

(Mr. HUBER asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, I am interested in this legislation and would like to make some brief observations, especially as they relate to my experience as a member of the House Committee on Civil Service and afterward on the Committee on Post Office and Civil Service of the House.

It is my opinion that a number of the agencies in the past few years especially have been extremely negligent in their duty to check the expenses of employees who are away from their offices on Government business.

I do not want to be misunderstood. Employees who are away on Government business should have their necessary expenses paid for the necessary time during which they are away. Of course, they should not be required to use their own funds for necessary expenses.

On several occasions, however, my attention has been called to the fact that employees in some of our agencies spend considerable time in planning trips across the country in order to take a little vacation at the expense of the Government. I know these are in the minority, but even so, there is too much of it going on. Furthermore, there are a number of cases where several people make a trip when one could do it alone, and then we have the other situation whereby a representative of an agency goes away and stays a week or two when he could do the job in a much shorter period of time.

Furthermore, agencies, instead of handing out this money in a lump sum, \$6 a day or \$9 a day, or whatever it may be, should require accounting of the use of the money that is expended by the Government, because, after all, it is paid out of the pockets of the taxpayers.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. REES. Yes; I shall be glad to yield.

Mr. BURNSIDE. We found in checking the executive expenditures that there are about 3,000,000 items, and it would cost about \$10,000,000 to process those \$11,000,000 of expense accounts. If we would do the same thing with all of them we would run up a tremendous cost to the Government in checking each of these expense accounts. We are doing our best to get away from that.

Mr. REES. I appreciate the gentleman's observation, but unfortunately they go through too much red tape in checking these items. It would not cost much money if it were done in a business-like way, if it were done as you would do it if you were running a business concern. You know what industries and commercial houses do. Just apply a little common business sense in handling these expenses, as you would in your own business. That is all I ask for.

I hope the Committee on Expenditures will make some check and conduct investigation with respect to the amount of money that is being expended by the Federal Government, to see if we cannot cut out a lot of unnecessary trips and reduce expenses.

For instance, the other day by attention was called to three men from one agency who went out on the same trip. They were going to have a conference first up in one State and then attend a convention on the west coast. Perhaps all three of them had to go. I hardly think so. But somebody ought to check into that and hold down these expenses. This bill giving them \$9 a day—if that is what it takes, all right, well and good;

but it will encourage a great deal of travel that would otherwise not occur. I do not think any Member of this House wants anyone to take money out of his own pocket to pay expenses that should be charged to the Federal Government in order to make a necessary trip. I am wondering whether or not this committee has any idea how much time is taken by the representatives of these various agencies in traveling over the country, in carrying on the business of the Government. Somebody ought to check into it. It needs a real investigation and study. A great deal of money might be saved if you would do it.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. REES. Yes, I yield to the distinguished gentleman from Virginia.

Mr. HARDY. It does present quite a problem, but I think there is a very practical difficulty in making a determination as to what trip is necessary and what trip is unnecessary.

Mr. REES. What I am thinking is to bear down on the agencies a little, and keep the unnecessary trips out as much as can be done. I am wondering if this committee could not take some real action on that subject matter and see that it is done. I think the action of this committee on expenditures would be very helpful.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. REES] has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield five additional minutes to the gentleman from Kansas.

Mr. HARDY. Mr. Chairman, will the gentleman yield further?

Mr. REES. I yield again to the gentleman from Virginia, a valued member of this committee.

Mr. HARDY. I just wanted to point out that the subcommittee of the Committee on Expenditures recently has been looking into some of these travel matters of one of the agencies. It is a tremendous job. I hope it may be possible to expand it a little further. I believe some good is being accomplished, and I hope that the agencies in question will themselves take account of just the point that the gentleman from Kansas has raised.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. REES. I gladly yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. If the gentleman from Virginia [Mr. HARDY] would just stick around here in Washington over some Sunday and stay around the streets, he would see Government cars with boats on top. I can understand that because I have the desire once in a while to go fishing, but you see those cars traveling around on Sunday and on Saturday afternoons when the departments are not working, Government cars. I assume they are checking the number of fish, the number of ducks, or something somewhere. You will find it all the time. If you try to learn what they are doing and why they are on the road on Saturdays and Sundays you will find it utterly impossible. For instance, not long ago,

someone over in Niles, Mich., which is on the direct route from Chicago to Detroit, complained that on the Fourth of July and the subsequent Sunday there were a number of Government cars with Government licenses on them driving around the resort centers, South Haven and up to Holland and places like that. The only answer that we got in trying to find out what those cars were doing was that they had to go up the coast road because the other was under repair. That is as far as they ever got with it.

Mr. REES. The gentleman from Michigan has made an important observation. I think it is a matter that should have more attention than it presently receives.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield.

Mr. HARDY. We know that kind of thing goes on all the time, but I just wonder how we can correct it by talking about it and not acting.

Mr. REES. I would just like to say to the gentleman that such things come about largely through laxity of the heads of the departments. They should be held more accountable.

Mr. HARDY. Will the gentleman yield to permit an observation on that?

Mr. REES. I yield.

Mr. HARDY. Undoubtedly there may be some laxity on the part of the agency.

Mr. REES. Yes; there is on the part of too many of some of our agencies.

Mr. HARDY. Laxity on the part of the agencies themselves, but there is also some laxity on the part of the Congress that we have not been able to check up on these things.

Mr. REES. It is difficult even to get a vague idea of how many cars are used in the Government business. We know there are hundreds and thousands of Government cars. I have tried to find out how many automobiles there are in these agencies but nobody seems to furnish that information. I expect to discuss that subject matter at a later date. There seem to be more and more automobiles for more and more agencies of the Government. I hope somehow, some time, we can find a way to check this thing.

Mr. HARDY. That same kind of abuse occurs in private industry as it does in the Government; while it cannot be to the same degree, there certainly is evidence of it. This matter of abuse of the use of Government cars and transportation is one thing I should like to find out about. We are working on it. The gentleman, of course, recognizes what a task faces this committee in looking into the expenditures of these various Government agencies. In order to do it if we proceed much farther than we have already gone we shall need more money to carry on the investigation.

Mr. REES. If there is abuse in private industry, only the private industry suffers. If there is abuse by Government agencies, the taxpayers suffer. In my judgment money spent to investigate this thing is money well spent through the savings brought about. If you spend a little money to make this investigation you will stop much of this abuse. The

very fact that a committee is acting as a sort of watchdog will have a salutary effect.

The hearings on this bill are not very adequate. About all they consist of is the testimony of some people who came before the committee and testified that they ought to have more money for travel and subsistence. That is all there is in this report.

Mr. HARDY. May I make a further observation?

Mr. REES. Certainly.

Mr. HARDY. As chairman of the subcommittee investigating this matter, we hope to have this information that will enable the committee to do a good job.

Mr. REES. I will be glad to support the gentleman in his effort, because we appreciate the active interest the gentleman from Virginia takes in this important matter. I know we can depend upon the gentleman from Virginia [Mr. HARDY] to do his part in dealing with this important problem.

Mr. Chairman, I know it takes a tremendous amount of money to run the Government. I know, too, that a considerable amount of travel is required, but I am convinced that a great deal of the travel on behalf of the Government is unnecessary and could be cut out.

You will observe from this bill that this Government spent last year more than \$317,000,000 for travel allowance alone, and \$151,000,000 of that amount is for civilian travel. That is a pretty good sized sum to spend for travel expenses in peacetime.

The bill you are approving today calls for an additional cost of \$52,800,000. That again is too much and ought to be reduced. I hope the Appropriations Committee of the House, together with the Expenditures Committee responsible for bringing this legislation to the floor, will see to it that these expenses are materially reduced.

One thing more, this bill does not take into consideration the travel allowance of thousands of automobiles operated by the various agencies of Government, whose operating costs also run into the millions of dollars.

Again I say the whole thing should be investigated with a view of bringing more economy in the travel expense of our Government.

Mr. KARSTEN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. TAURIELLO].

Mr. TAURIELLO. Mr. Chairman, I rise in support of this bill, but before I make any comments I wish to compliment the distinguished chairman of the subcommittee, the gentleman from Missouri [Mr. KARSTEN], for the fine work he and his committee have done on this bill. I personally would give more money than is recommended in the bill being considered by the committee. I feel that \$9 a day is not adequate enough, and I speak from experience, having been associated with a governmental agency for some time. We are all agreed that the average cost of a hotel room today is at least \$5.50. When we go to some strange city on business, either Government or otherwise, and you ask for a fair-priced room, they seldom have such a

room. The result is you get into the \$6 and \$7 bracket. So that the \$9 a day is not adequate enough, in my opinion, and if I thought I could get to first base I would offer an amendment to increase this allowance to \$12 because I feel that would be more adequate in allowing Government employees to travel with some degree of dignity and to live on the same plane as they do when at home.

You and I enjoy one of the greatest nuisances in this country. That is the tipping nuisance. This alone usually amounts to at least \$2 a day.

When you are traveling on official business, what happens? You go from the station to the hotel in a taxicab and the doorman grabs your bag and carries it to the door, which costs you 25 cents. From the door to the hotel desk somebody else grabs your bag and you have to tip that individual. From the desk to the room some other bellhop grabs your bag and you have to tip him. You have to tip them adequately or the chances are they will turn around and call you down. I know of instances when this actually happened.

So I feel that the \$9 recommended in this bill is not adequate enough. However, I will support the bill because I feel that half a loaf is better than none.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KARSTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

(Mr. RICH asked and was given permission to revise and extend his remarks.)

Mr. RICH. Mr. Chairman, I am in sympathy with the pending legislation as it is written. I was a member of the committee and helped write the bill. Now, you are going to ask, where are you going to get the money? I am interested in that just as anyone else, so I am going to try to show you how we can get the money.

Let us look at the situation just as it faces us. In my business we send men out on the road. If we send a man out on the road to travel we pay him a salary and they are supposed to get their expenses also. If we cut them down so that they cannot live in the right places and sleep in the right kind of hotels, after a while they would become discouraged. They might be the best salesmen in the world and they will not stay with us but will go to some other manufacturer who will look after them. I look at this situation in the same way. We pay these Government men \$6 a day expenses now when we know it cost them \$9 a day to get along. We have tried to make it economical, we have tried to make this bill sound. Some members thought it ought to be \$8 a day expense money, one of the members of the committee thinks it ought to be \$12. I do not. I think it ought to be \$9 and I am going to stand pat on \$9 and see how we get along in an effort to treat the Government employees in the right way.

Where are you going to get this money? I will show you. I picked up the Sunday Times-Herald and in great big headlines appears this statement: "Bill sets retire-

ment at 55. Early passage predicted by Senator JOHNSTON." I understand that the President is in favor of the bill.

When you take a man 55 years old and you tell him he can retire and you are going to pay him a pension, in my opinion it is utterly silly. No man 55 years of age in good health ought to retire. If I was 55 years old and they put me on the side lines I would do some kicking and I am here now to kick against any bill that provides for the retirement of people at the age of 55. That means that everyone between the ages of 20 and 55 who are working have to pay that fellow to sit idly by for years to come whereas he could be earning his salary and would be kept off the Government pay roll. It is not economy for Government to retire workers at age 55, so just count me against it. I am not surprised the President is for it for he is for most anything that will sink us financially, such as ECA, aid to education, socialized medicine, and so forth.

What we are doing here in this country of ours now is trying to sink the ship or go into bankruptcy, and you are only going to sink the ship by adding this great burden on the fellow that works. And I do not want to do that. Well, that might be one way to bankrupt the United States of America.

Here is another one:

I pick up the paper and I read that in Great Britain recovery is realized. ERP aid praised in remarkable achievement. Trade balance in sight. When you find out that Britain had a balance of \$2,500,000,000 last year, when they figure that they balanced their budget after we gave them \$970,000,000 from the American Government, I want to tell you that it is just silly if you fellows sit here and pay out any more money in this ERP. Why, it ought to make all of you ERP and ERP and ERP. You ought to think of the American people. Think of paying these fellows that travel now for Uncle Sam \$9 a day when the British Government has a balance of \$2,500,000,000, added to that the \$970,000,000 of American money, then it is just silly when you vote that way, and I hope that every man that votes that way that his constituents will realize what he is doing, and say to him, you vote to bankrupt our own country.

Now, what are we going to do to get the money to pay these fellows, our own citizens who go out and spend their own hard-earned cash trying to get along working for Uncle Sam? Do you not think it is foolish for them to have to do so? Then, another thing, another place you can get some money, boys, and that is by economizing in all of these expenditures of government where you know that it is an extravagant waste of the taxpayers' money. There are so many places where you can save, in every department of government. You say you want a balanced budget. You remember that the Eightieth Congress gave you a balance of \$2,500,000,000 last year and \$900,000,000 the year before. This year you are asking for \$40,000,000,000, and you will spend \$45,000,000,000 if you do not watch out. Now, if you spend \$45,000,000,000, the goblins will get you, too. You fellows have to keep your eyes open or something will swal-

low you up, and then we will lose our form of government, and then it is just too bad. Why in the name of all that is good and sound do you take on such bills as socialized medicine, arming nations under the North Atlantic Pact, and so forth, when it means financial ruin to our own Government. Men, do not do it. I plead with you to economize in our Government spending.

Where are you going to get the money?

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, my good friend and colleague, the gentleman from Pennsylvania [Mr. RICH], was going so fast that he could not stop to get the answer to his question of "Where are you going to get the money." I can tell him where we will get part of it. We will tax the woolen industry and the woolen mills, that is what we will do, and we will hike the income taxes on this rich manufacturer. That is where we will get part of it. And everyone will contribute through higher and additional taxes.

Now, I cannot feel very sorry—I wish I could feel sorry—for the so-called poor, underpaid Federal employees, or half as sorry as I do for that group of Congressmen who come down here and serve so faithfully and so well and who always bemoan the fact that it is costing them so much money. I feel in accord with the gentleman from Pennsylvania. I cannot be retired when I am 55 years of age, because I am away past that now. I notice that some of the local papers in Michigan suggest that six of the Republican Congressmen are going to retire, and they name me as one of them. Now, I am going to retire when a majority of the voters of my district say I cannot hold the office or when I cannot render adequate service, and I hope that the newspapers will make note of that.

I came down here in 1935 with a purpose in mind. It had to do with economy in Government and the welfare of our people and Nation. We have not gotten very far along with that program. We made a little progress in 1946, and then the people were deceived by a lot of honeyed words and they turned us out. Now we have to start all over again. So, I see the necessity—get that; my own people may not—I see the necessity of staying here for the present.

Unfortunately, I am the only one on the committee who is opposed to this increase. There are 25 conscientious, well educated, economically minded citizens on that committee, and they are all but one—and that is myself—in favor of this increase. Now you wonder why I am not in favor of an increase. They say that the Federal employees are spending their own money when they go out on their jobs. I can see where \$6 a day will not pay the expenses and 5 cents will not cover the automobile travel. But that is not the only consideration we should have in mind.

My argument is this: Ever since 1932, when the great President, Mr. Roosevelt,

promised economy, both parties, especially the Republican Party, of which the gentleman from Pennsylvania [Mr. RICH] is a great ornament, a great contributor of ability and all that, and I assume in funds—I hope so anyway, to the campaign war chest of the Republican Party, have promised economy.

I have been here since 1935, and if you gentlemen can recall any instance in which this Congress, the Congress as a whole, has practiced instead of talking economy, I wish you would tell me about it. If we are going to keep faith with the people, sometime we must begin to practice economy as well as preach it.

What about the Federal employees? They take those jobs with their eyes open. They know they will have to travel and eat while away from home. Most of them know they are going to have to pay their own travel expenses. It is strange, too, that if they are underpaid and if the jobs are not desirable there are so many individuals in our districts who want jobs in the Federal Government. Why? Because they are poor jobs, because they are not worth while? No. Because those jobs are good jobs, the pay adequate. Over all, they are good jobs.

We know that the average Federal employee works but 220 or less days per year. Our farmers and the people in the factories and in the offices work pretty nearly every day in the week, 5 days anyway, and the farmers 7.

There is something else that the Federal employees have. They never miss a pay check. They do not work for someone who goes bankrupt, who stops operations. The Nation is bankrupt, all right, but we continue on because we have the tax roll. So those Federal employees know that come pay day they are going to get a pay check, and it is going to be in full, everything that was promised them. In some districts at least there are five applicants for every Federal job available, in spite of the fact that we are putting them on in an ever-increasing rate.

The gentleman from Pennsylvania says, where are you going to get the money, and he is all for economy, but he comes along and he wants to vote a \$3-per-day raise, and it will cost the Government \$50,000,000 a year. He says, Where are you going to get the money? Have they taken that into account? No; they have not.

Mr. RICH rose.

Mr. HOFFMAN of Michigan. No, no, Bob. You have had your say.

Mr. RICH. I want to ask you a question.

Mr. HOFFMAN of Michigan. I cannot yield.

The committee wants these people to have this additional \$3 per day. I have said before and I concede they cannot travel on \$6 per day, but they went into these jobs with their eyes open. I came down here, and I am like a lot of you. It is going to cost us money, but I love it. Nobody drafted me for the office I hold, and nobody so far as I know except here and there an individual has asked that I stay here. But I have made my views clear on that before.

So these Federal employees should not complain. No one compels them to go into the Government service, but they want to be given \$9 a day for travel and subsistence. And what do you give to the old people? Fifty dollars a month. Of course, it is not comparable, I know, but to a certain degree it is.

How are you going to tell the people back home, your old folks, some of them the victims of misfortune, practically all of them honest. They have done their best, but for some reason beyond their control they cannot support themselves. So the Congress matches the payment up to the \$50 per month that will be made to the States for their subsistence.

Then we come along and say \$9 a day, and the gentleman from New York would boost it to \$12, for travel and food for Federal employees who have good, safe jobs. I wonder where he gets his money. I wonder where he thinks we would get the money. He will say New York pays it to its State employees, and where does New York get its money? From the outlands, from the out districts. The money gravitates into New York, where on every piece of business from the States they just take a little toll. Maybe they can do it in New York, but my folks cannot do it.

It all boils down to this, my folks have to work, they have to sweat, they have to get calluses on their hands and on their feet to get these dollars which we take away from them to pay this \$9 per day.

Inasmuch as no one is compelled to take one of these Federal jobs and, since every man who goes into it knows what he is going to get, I say let them be content. Let us begin to redeem at least one of our campaign promises. Let us begin to practice economy instead of talking about economy and all the time voting for an increase in expenditures. I know that there will be but about 10 votes cast against this bill, but at least so far as I am concerned the record will be clear. My views are set forth in a report I wrote on the bill and which reads as follows:

MINORITY REPORT

PROMISES WITHOUT PERFORMANCE

Ever since 1932, when Presidential candidate Franklin Delano Roosevelt included in his campaign promises one which definitely promised a 25-percent reduction in Federal expenditures, both Democrat and Republican party platforms and the candidates of both parties have repeatedly promised the taxpayers of this Nation a reduction in Federal expenditures.

The failure of our national policy makers to keep us out of a war—a war which gave us a Stalin and a communistic Russia, in lieu of a Hitler and a Nazi Germany, as public enemy No. 1, is a partial excuse for the stupendous increase in our national debt and the confiscatory taxes with which our people are, and the future generations will be, burdened. It is an excuse for, but not an answer to, our failure to economize.

Two wars—the first fought to end all wars—the second to carry the “four freedoms” throughout the world, have left the world with active fighting on four fronts, millions of slave laborers, and millions of people under the domination of Communist leader Joe Stalin. While we ourselves are not in a shooting war, we are in a “cold war,” an economic war. We are at the moment signing up allies to form a coalition of nations

which we hope will win the next world war. We are back to the Old World balance of power theory.

If the refusal of Congress to bring about some economy, greater efficiency in our executive departments, our repeated gifts of billions of dollars to other nations and peoples continue, it is evident that we will ultimately come to the end of our resources. It is equally apparent that, having reached that point, we will not only be unable to help others, but to adequately defend ourselves.

Notwithstanding these two wars, the nations of the world are not at peace. We are about to enter into an Atlantic Pact which, whatever may be its legalistic wording and interpretation, commits us to be a participant in any war which may come to any one of the nations signing that pact. We on one side, Russia on the other, are striving to re-establish the old balance-of-power arrangement. But in this case we do not reserve to ourselves the right to go in, or stay out of, a war—no matter by whom, or for what cause—started.

We are now committed to an additional Marshall plan of some \$5,550,000,000. Our national defense program, if you wish to call it that, calls for an expenditure of something like \$15,000,000,000. Aid to veterans will require around \$6,000,000,000. The interest charge on the national debt will cost something like \$6,000,000,000 per annum. Other programs require other billions.

From the foregoing, which is brief and incomplete, and from the facts known to every member of the committee, it is perfectly clear, and I doubt if anyone will ever deny, that, unless we economize on some front, we will go the way of all nations which have consistently and persistently in their expenditures exceeded their incomes.

We promise our constituents that we will cut down Federal expenditures but, due to the pressure of first one group, then another, we do not keep faith with our people.

In the current CONGRESSIONAL RECORD of February 7, 1949, page A619 and subsequent pages, there is a statement by the chancellor of the University of Kansas, entitled “America the Profligate,” from which I quote this paragraph:

“In 1933 our national debt was \$22,000,000,000; in 1948 it has swollen to \$252,000,000,000; 11 times as great.

“In 1933 there were 572,000 Federal civilian employees; in 1948 there were 2,200,000—or 4 times as many. In 1933, also, these Federal civilian employees were paid \$972,000,000; in 1948 they were paid \$6,000,000,000, or over 6 times as much. And in 1948 the Federal Government added an additional civilian employee every 3 minutes—or 513 per working day, or 150,000 for the year.

“In 1915 there were 158 Federal bureaus and divisions; in 1932 there were 529; in 1944 1,141; in 1948 2,700. Our very laws foster the growth of bureaucracy, because our civil-service law bases the pay of Federal employees on the number of underlings.

“We have taken onto the Federal pay roll 24,288 personnel specialists; there are twenty-odd lending agencies, there are 45 agencies concerned with housing. For some strange reason there are 400 people in the Legal Division of the Department of Agriculture. There is 1 employee in the Bureau of Indian Affairs for every 6 Indian families in America. Chicago alone has 530 Federal offices.

“In a recent year the Federal Government gave hand-outs to individuals and grants-in-aid to local and State governments totaling \$5,500,000,000. One Federal agency spent \$100,000,000 to keep prices down; another spent \$80,000,000 trying to keep prices up.

“And in all this welter of bureaucratic confusion there is no complete accounting system and no complete set of books.”

On page 2093 of the CONGRESSIONAL RECORD of March 9 there is a statement by Senator BYRD which shows that in 1948 the executive

department added to its pay roll more than 101,000 additional employees. The table on the following page shows that, in December of 1948, the pay of the civilian employees in the executive branch of the Government was \$64,000,000 more than it was in the preceding month.

The present bill increases the travel allowance of civilian Federal employees who are required to leave their post of duty on Government business from 5 to 7 cents per mile when using their own automobiles.

The bill proposes to increase the subsistence allowance from a maximum of \$6 per day to a maximum of \$9 per day (original figure was \$10).

It is assumed that the cost of travel and the cost of sustenance has over the years increased. No doubt that is true, but whether those costs will go up or down during the next few years is wholly problematical.

The most recent report of the Bureau of Labor Statistics shows that we have had a 5-month consecutive decrease in the national over-all retail prices, and this decline is the longest consecutive one in 10 years. The same report shows that food prices have continued to decrease for seven consecutive months.

From statements on record, there is proof that both President Hoover and President Roosevelt were utterly mistaken in their predictions on the question of future employment and cost of living—the first predicted that prosperity was just around the corner—the second predicted unemployment, the necessity for creating some 8,000,000 Federal jobs. Each was completely mistaken, though each had the advice of a staff of so-called experts.

One thing experience has demonstrated, and that is that seldom, if ever, when a job in the executive department has been created or a rate of pay established, is the job either abolished or the rate of pay lessened.

The argument in support of this bill is that no Federal employee should be required to spend his own money while engaged in Government business away from his assigned place of duty. That argument would be sound if the Federal employee did not know his rate of and total pay and his duty when he applied for the job.

The answer to the argument is that, on the whole, except for top positions, there are many applicants for every Federal job—and from qualified applicants who know the rate of compensation and the task for which they apply. To those of us who believe in the law of supply and demand, that situation is proof positive that Federal employees are not underpaid; that they receive ample compensation for the work they perform. Men do not usually apply for underpaid jobs.

It is true in some instances that the monetary rewards for services rendered in some of the professions, in some businesses, and in some industries are greater than for a comparable service rendered in the executive departments of State or Federal Governments. But the direct financial compensation of the civilian employee in the executive branch of the Federal Government is but a part of the story.

The Federal employee, with one exception, has sick leave of 15 days and a vacation allowance of 26 working days each year. In the one exception, the postal employees, the sick leave allowance is 10 days and the vacation leave is 15 days.

The Federal employee has a 5-day week. If a holiday falls on a Thursday, he will sometimes get Friday as well as Saturday off. Sometimes, if there is some celebration in which the administration is interested, as recently when President-elect Truman returned to Washington, there is an additional day or two of vacation.

In short, the Federal employee's workyear calls for about 220 days of employment; his compensation is on a yearly basis. (Days in a year number 365. Subtract 26 days of vacation, 15 days for sick leave, 52 Sundays, 52

Saturdays, and certain other holidays—leaves less than 220 8-hour workdays.)

The Federal employee has retirement pay, for which he, of course, pays a part.

The Federal employee never misses a pay check, no matter how much his employer—the Government—may lose during a year. No matter how great the Federal deficit, the Federal employee gets his check on the appointed day.

The Federal employee, all things considered, has one of the best jobs available in the United States of America. He takes that job with his eyes open, knowing his rate of compensation, the task confronting him, and the approximate effort required to efficiently perform that task.

There is no more reason for paying the cost of his food and lodging while absent from his post of duty on the regular work pertaining to his job than there is for paying every man who works at a job for the time and expense of traveling to and from that job or while away from home.

Mr. James Doran, Chief Post Office Inspector, testified that, with few exceptions, the employees of his Department would be fully compensated if they received \$8 per day for subsistence.

It would seem that a per diem increase from \$6 to \$9—a net increase of \$3 per day—is an invitation to travel, unfair to the average taxpayer and grossly excessive when compared with \$50 or less per month paid to millions of our needy citizens.

True, the cases are not comparable, but the wide spread between \$9 per day paid the Federal employee and the \$1.70 per day paid the needy, aged, and unfortunate citizens, should give us pause.

All admit the necessity for a reduction in Federal expenditures—very few will, when the occasion arises, meet the issue, vote to reduce expenditures. Very few will refuse to yield to the demand of the bureaus and the Federal employees for an increase in Federal expenditures.

While the \$9 per day is the maximum, not the minimum, experience and the record show that every dollar appropriated to the various departments for these particular items is expended.

If in one bureau of a department there is a reduction of employees, an increase in the rate or the number of employees in other bureaus invariably absorbs the whole appropriation and sometimes calls for a deficiency bill.

If the promises of candidates for office that Federal expenditures would be reduced, if they were elected, are ever to be kept, even the most simple-minded will recognize the fact that some time we must make a beginning. Why not here? Cannot we at least hold the line?

Respectfully submitted.

CLARE E. HOFFMAN.

Mr. Chairman, I yield back the balance of my time to my good friend the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, it is terribly difficult to follow my colorful friend from Michigan to speak on this bill. In passing, and I think I can do it modestly enough, because I am not a member of the subcommittee, I do want to praise the gentleman from Missouri [Mr. KARSTEN] and the members of his subcommittee for the really fine work that they have done on this bill. As I say, I am not on the subcommittee, but I understand the gentleman from New York [Mr. WILLIAM L. PFEIFFER] made a great contribution to the committee because of his experience. He was quite

modest and did not tell you much about it here, but he did make a real contribution in the preparation of this bill.

As the gentleman from Michigan himself has said, the bill was reported out unanimously by the committee, except for the vote of the gentleman from Michigan. I think that the gentleman from Michigan opposed the bill just because he was born in the objective case.

I am sorry I overlooked one gentleman on the subcommittee who also made a great contribution in the drafting of the bill. That was the gentleman from Indiana [Mr. HARVEY] who also had much experience. In giving special praise to these gentlemen I do not mean to omit any of the other members of the subcommittee who also made their contribution.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a correction?

Mr. LANHAM. I am very glad to yield to the gentleman.

Mr. HOFFMAN of Michigan. As I understood you, you said that the gentleman from Michigan opposed this bill because he was born in the objective case. My reason for opposing this bill grows out of—not a reason; but one reason, perhaps, is—yes, maybe it is a reason—it is because I still have the callouses on my hands from the time that I had to work to earn money. Many of my constituents are in the same fix.

Mr. LANHAM. I think most of us Congressmen have callouses on different parts of our anatomy. I do not know whether the gentleman from Michigan is in that category, but I should think that since he has been down here for quite a time, that probably the callouses are gone from his hands.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. Let me say that I love the gentleman from Michigan. I would not have his people retire him for anything. You know, I think he is sort of a hair shirt. All of us need a hair shirt at times. The gentleman from Michigan, I think, is the hair shirt of the House of Representatives. I just hope his people do not retire him. If the gentleman will permit me to proceed, I rose to say something else.

Mr. HOFFMAN of Michigan. Will the gentleman just yield for one short statement?

Mr. LANHAM. I will yield for just one question.

Mr. HOFFMAN of Michigan. All right, but it is not a question, it is a statement.

Mr. LANHAM. If the gentleman will make it short, I yield.

Mr. HOFFMAN of Michigan. The calluses are still on my hands, and my objection is to those who have the calluses somewhere else getting this increase. That is one reason for my objection, or at least, one of them.

Mr. LANHAM. I am sure the House is going to vote to allow this increase, because we cannot afford to ask our faithful employees to spend money out of their own pockets when they are on trips assigned to them by their superiors. There is one other matter that I would like to

call your attention to. I agree with the gentlemen, especially on the left, who have raised the question of the unnecessary trips that are made by Federal employees. Something was said about unnecessary trips to conventions. I want to say that there is something even more serious than that. I had intended to offer an amendment to this bill which would have corrected this matter which I wanted to talk to you about just briefly, but I understand that it may not be germane to the bill, so I am going to try to handle it in a separate bill.

Not only are the expenses of many Federal employees to conventions paid, but actually dues and various fees are paid in various organizations—in more than a thousand different organizations—by the Federal Government, and any number of men—not just one or two but any number of Federal employees—are sent to those conventions, and they will stay there 2 or 3 days or a week when they do not need to be there on Government business more than an hour or two. It has gotten to be such a racket that the armed services have asked a very high-ranking official to make an investigation of the procedure. The things that he has disclosed to me are really alarming. I am going to place in the RECORD a brief, with the consent of the committee, which will disclose in a measure what is going on. I hope when the proper time comes the House will back us in this effort to stop this unnecessary expenditure for attending conventions all over the country, with crystal ball rooms, strip-tease girls, and liquor, as the gentleman from Kansas [Mr. REES] knows.

Should officers and employees of the Government be permitted to belong officially to, and attend meetings, at Government expense, of religious, cultural, scientific, vocational, professional, and technical societies; trade associations, and standardizing bodies, labor unions, clubs lodges, and fraternal orders; better government groups, and other private organizations?

Congress attempted, with great wisdom, to answer this question in the act of June 26, 1912 (5 U. S. Code 83) which reads as follows:

No money appropriated by this or any other act shall be expended for membership fees or dues of any officers or employee of the United States or of the District of Columbia in any society or association or for expenses of attendance of any person at any meeting or convention of members of any society or association, unless such fees, dues, or expenses are authorized to be paid by specific appropriations for such purposes or are provided for in express terms in some general appropriation. This section shall not be so construed as to prohibit the payment from the appropriations for the Department of Agriculture of expenses incidental to the delivery of lectures, the giving of instruction, or the acquiring of information at meetings by its employees on subjects relating to the work of the Department authorized by law.

Later, in the act of February 2, 1935 (31 U. S. Code 551), Congress stated more emphatically a policy relative to this matter. That act reads as follows:

That, unless specifically provided by law, no moneys from funds appropriated for any purpose shall be used for the purpose of

lodging, feeding, conveying, or furnishing transportation to any conventions or other forms of assemblage or gathering to be held in the District of Columbia or elsewhere. This section shall not be construed to prohibit the payment of expenses of any officer or employee of the Government in the discharge of his official duties.

The conclusive thinking which prompted these two acts of Congress was that membership in private organizations is a matter which pertains to the individual; that his purpose in joining a church, lodge, club, union, society, association, or other private organization is to receive personally the benefits to be derived primarily from attendance at meetings; and that the individual officer or employee, who receives personally, the benefits of such membership should share alone the expense which he incurs by reason of his membership obligations.

On the other hand, Congress has recognized that cooperation in, and coordination of, activities of private organizations, which relate to authorized activities of the Government, requires frequently that departments and agencies of the Government have official representation at meetings of private organizations. The Congress has, therefore, made generous appropriations thereof.

In fact, Congress has been too generous and has not scrutinized, as carefully as it might have done, the possible interpretations of the proposed provisions of various appropriation acts which it has enacted from time to time. For example, an appropriation act provision which authorizes expenditures, not to exceed \$50,000, for expenses incident to attendance at meetings is entirely too broad to insure that taxpayers' money will not be wasted for joy-riders and lavish entertainment of officers and employees at Government expense. It is possible, under such appropriation-act provisions, for officers and employees of the Government, who are members of a private organization and who would otherwise attend meetings of such organization at their own expense, to receive reimbursement by the Government of expenses incurred in attendance at meetings of such organization upon the premise or pretense that work being done in the department or agency concerned is benefited by such attendance. Such provisions permit officers and employees of the Government to attend meetings, at distant places, over periods of a week or longer at Government expense, including luxurious travel and hotel accommodations and lavish entertainment, when the only matter of material interest to the Government under discussion at such meetings is scheduled for a mere 1- or 2-hour discussion at a specified hour on a certain day. It is also possible, under such broad provisions, for officers and employees to be reimbursed for unjustifiable expenses, disguised under such names as—

Registration fees which may be defined as special membership fees extracted by some private organizations of their members, in attendance at meetings, as a means of raising slush funds required to defray such extraordinary expenses as rental of a crystal ballroom in which joyous deliberations are to be held; the employment of loud music makers and enticing strip-tease danc-

ing girls; and the cost of stimulating drinks, big cigars, elaborate decorations, souvenir programs, conspicuous membership badges, etc.

Appropriation Act provisions which permit attendance, at Government expense, of officers and employees, who are members of an organization, at meetings of such organizations upon premise or pretense that work being done in the department will be benefited thereby does not appear to be in accord with the apparent intent of the act of June 26, 1912 (5 U. S. C. 83) and the act of February 2, 1935 (31 U. S. C. 551). That intent was apparently to prohibit payment of expenses incident to membership in private organizations as distinguished from the payment of expenses incident to the performance of official duties. The reimbursement of the personal expenses of members of an organization upon the premise or pretense that their attendance at meetings of such organization will benefit work being done by the Government presents an attempted justification of the misuse of taxpayers' money which, to say the least, appears highly untenable.

Aside from the apparent misuse of taxpayers' money, the practice of paying the expenses of members of an organization upon the premise or pretense that their attendance will benefit work being done by the Government gives rise to a discrimination against certain officers and employees which should not be tolerated in the Government service. This discrimination is brought about by the fact that Congress does not appropriate sufficient funds to permit attendance, at Government expense, of all officers and employees of a department or agency, who are members of an organization holding a meeting, and departments and agencies, not having sufficient funds for all, is permitted to pay the expense of the few members, who would otherwise attend at their own expense, in discrimination against the larger number of members whose attendance might likewise benefit work being done in the department but who do not receive reimbursement of their expenses.

Another ill effect of the practice of permitting officers and employees to attend meetings as members of an organization and as representatives of the Government is that it permits dual relationships without due regard to the act of March 4, 1909 (18 U. S. C. 93), which reads as follows:

No officer or agent of any corporation, joint-stock company, or association, and no member or agent of any firm, or person directly or indirectly interested in the pecuniary profits or contracts of such corporation, joint-stock company, association, or firm, shall be employed or shall act as an officer or agent of the United States for the trans-action of business with such corporation, joint-stock company, association, or firm. Whoever shall violate the provision of this section shall be fined not more than \$2,000 and imprisoned not more than 2 years.

The most serious effect of permitting officers and employees, who are members of an organization, to attend its meetings, at Government expense, as members of the organization and as representatives of the Government, is to per-

mit departments and agencies of the Government to have membership representation in private organizations in compromise of the sovereignty of government and in violation of the American concepts of government which provide for the separation of government and society, church and state, and government and enterprise; to permit officers and employees of the Government, in violation of the American doctrine of free enterprise, to assume functions in private enterprise which should be performed by personnel in private enterprise; and to set a precedent for the infiltration of government in society, church, and enterprise which could lead eventually to a merger of government, society, church, and enterprise like that which exists in fascist and communistic countries. Such infiltration, if permitted, would strike at the very foundation of our concepts of government and our free institutions. Trends of this nature should be viewed as creeping socialism, which, if permitted to advance, could soon become galloping communism.

Still another ill effect of permitting departments and agencies of the Government to accept membership in private organizations is that such departments usurp and confer on such organizations legislative authority which the Constitution of the United States confers exclusively on the Congress. In accepting a membership in a private organization, the department or agency concerned subscribes to the constitution and bylaws of such organization and subjects itself to legislative action of the membership of such organization. Therefore, the Government becomes committed to actions decreed by the membership of such organization without authority of Congress.

The fact that officers and employees of the Government vote at meetings, in the name of their respective departments and agencies, permits the American public to gain the impression that the Government is sponsoring those organizations and sanctions their actions. For example, if officers and employees, in attendance at a meeting of a standardizing organization, cast a vote in the name of their department or agency, to approve the adoption of a certain standard, the impression is gained by the American public, at least by implication, that the Government approves such standard and sanctions, without due process of law, the boycott of similar products.

Reportedly, there are more than 1,000 private organizations in which officers and employees of the Government hold membership. It stands to reason that the Congress cannot permit departments and agencies of the Government to accept membership in any of these organizations without discrimination against other organizations which seek sponsorship by the Government. It is submitted, in this connection, that private organizations desire especially to print the names of officers and employees of the Government in their letterheads and other advertising matter as a means of conveying to the American public the impression that their actions have the approval of the Government itself.

Therefore, if one organization is to have the right to use the name of the Government in its letterhead, all other organizations will seek the same right. This fact alone should indicate clearly to persons of reasonable intelligence that departments and agencies of the Government cannot accept membership in any one private organization without accepting membership in hundreds of other organizations. It emphasizes clearly that departments and agencies of the Government should have a liaison relationship with private organizations which are engaged in activities relating to the authorized work of such departments and agencies, but that they should not have a membership relationship in organizations which are not created and controlled wholly by Congress.

Seemingly, the time has come for the Congress to state more emphatically that taxpayers' money will be spent only for Government liaison representation at meetings of private organizations. No man can serve two masters. It is not the policy of the Government to permit interested persons to act as agents for the Government. The dual attendance of officers and employees of the Government at meetings of private organizations as members of the organization and as official representatives of the Government should be more specifically prohibited, if necessary, by an amendment to the act of March 4, 1909 (18 U. S. C. 93) and other criminal statutes which prohibit interested persons from acting as agents for the Government. See Fifth United States Code, pages 99-100 and Eighteenth United States Code, pages 198, 203.

But, if the Congress desires to connect the mistaken belief that departments and agencies of the Government must have membership representation in private organizations which are engaged in activities relating to their authorized work, and if the Congress desires to prohibit the usurpation of its legislative functions by departments and agencies which attempt to confer legislative authority on private organizations by accepting membership therein, it would appear that the Congress should declare that—

It is the declared policy of the United States to maintain, to the extent that the material interest of the Government may be involved, a liaison relationship with all organizations, but to accept membership only in organizations which are created, and controlled wholly, by the Congress.

It would further appear that a uniform provision should be made in all appropriation acts, beginning with those now under consideration by Congress, which will authorize only the payment of "expenses incident to liaison attendance of duly designated liaison representatives at meetings of private organizations for the accomplishment of official missions or the performance of official duties in connection with authorized activities" of the department or agency concerned.

Note: The word "liaison," which now has common usage, was little known prior to the first World War when it was learned and used by American soldiers in France. It became necessary, during that war, for adjoining American and

French units to maintain contact with each other and for respective commanders of such units to keep informed of the plans and movements of each other. This contact was established by the sending of an officer by the French commander to the headquarters of the American unit to obtain information relative to American plans and the sending of an officer by the American commander to headquarters of the French unit to receive information relative to French plans. These officers were called liaison officers. However, the French liaison officer did not become a member of the American unit nor the American officer become a member of the French unit. They were merely sent to the respective headquarters for liaison purposes, to wit, to serve as a communication link in obtaining information, to keep their commanders informed, and to help coordinate mutual plans.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. LANHAM], has expired.

(Mr. LANHAM asked and was granted permission to revise and extend his remarks.)

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Travel Expense Act of 1949."

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I invite the attention of the chairman of the committee reporting this bill in order to ask a couple of questions. What is the additional cost to the Government if this bill should be passed?

Mr. KARSTEN. It is estimated the additional cost would be a little in excess of \$50,000,000. That is the maximum figure but not necessarily definite. It may be less, but that is the maximum it could be.

Mr. CASE of South Dakota. That is based upon an estimate on the current number of employees, or what?

Mr. KARSTEN. It is based on the current number of employees and the estimated travel that will be performed over the next fiscal year. Of course, you cannot ascertain a thing like that definitely. It is merely a Dr. Gallup system that they employ in arriving at a conclusion.

Mr. CASE of South Dakota. Of course, every agency makes an estimate of the travel money it needs for the ensuing year. A great many of them came before the subcommittee of the Committee on Appropriations for Independent Offices. I am interested in what this is going to do to the budget and the appropriation for these independent establishments of the Government.

Mr. KARSTEN. The total travel cost for the fiscal year 1949 is estimated at \$317,000,000. The military travel amounts to \$166,000,000. That leaves \$151,000,000 for civilian travel. The cost of this bill will be a little in excess of \$50,000,000 in addition to the \$151,000,000.

Mr. CASE of South Dakota. Then I should like to inquire with respect to the meaning of the language which is used

in section 8. The first two lines of section 8 appearing on page 4 of the bill reads as follows:

The Subsistence Expense Act of 1926 and the Auto Mileage Act of February 14, 1931, are repealed.

Then the section concludes with this language:

Provided, however, That acts making appropriations for the fiscal years 1949 and 1950 (whether approved before or after the approval of this act) which authorize or permit, in either general or specific terms, the payment of travel or transportation expenses without regard to the Subsistence Expense Act of 1926, as amended, or the Standardized Government Travel Regulations, shall be construed to authorize payment of such expenses from the appropriation concerned without regard to this act.

Now, does that proviso suspend the application of this act as far as the appropriation for the fiscal years 1949 and 1950 are concerned?

Mr. KARSTEN. If the gentleman will yield further, I would like to answer his question. The adoption of this section will repeal the Subsistence Expense Act of 1926, the Auto Mileage Act of 1931, and will modify all other acts, general or special, covering the type of expenses and allowances embraced by this bill, including those acts authorizing travel without regard to the Subsistence Expense Act of 1926 and/or the Standardized Government Travel Regulations, and those authorizing reimbursement of actual and necessary expenses, and those using similar language, except as noted below, but only to the extent of inconsistency or conflict with its provisions. A similar repeal clause is found in section 9 of the Subsistence Expense Act of 1926. However, appropriation items for examination of estimates in the field and inconsistent provisions now contained in appropriation acts for the fiscal year 1949, and any similar provisions which may be contained in appropriation acts presently being considered for the fiscal year 1950, will be retained. This will preserve certain existing exceptions to the general travel expense laws until the respective committees on appropriations shall have had an opportunity to consider whether such exceptions are necessary or desirable under those laws as changed in the bill.

Mr. CASE of South Dakota. Let us bring that down to cases and consider this proviso in section 8 dealing with expenses and mileage to be paid out of the appropriation acts for 1949 and 1950. Does that say they will be on the new basis or on the old basis?

Mr. KARSTEN. It will be on the basis of the new rate.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes. I believe we can save some time this way.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HARVEY. Mr. Chairman, if the gentleman from South Dakota would

yield, as I construe that language—and I could be wrong—it simply means that the new rate is authorized, but that it does not, by this same term, authorize the appropriations for travel made for this fiscal year by the Committee on Appropriations to be increased in the same proportionate amount.

Mr. KARSTEN. We have no power to appropriate, as the gentleman realizes.

Mr. CASE of South Dakota. Yes. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Yes; is it not a fact that what this language purports to do and what it means is that the language which frequently used in appropriation measures which provides for exemptions and appeals and which by the very terms of the appropriation language excludes it from the Subsistence Expense Act of 1926 and the Standardized Government Regulations is not affected, so that if the Committee on Appropriations wanted to make an exception in the field for a committee it is not bound by these two standardized expense items that are referred to, but those provisions will still continue to be effective? Is that what this means and all that it means?

Mr. KARSTEN. That is exactly what it means.

Mr. CASE of South Dakota. Finally, do the words "this act" in line 6, page 5, refer to the bill under consideration as an act, or to the Subsistence and Expense Act of 1926?

Mr. KARSTEN. It refers to the bill presently under consideration.

Mr. CASE of South Dakota. I thank the gentleman as I believe this discussion will facilitate the operation of the bill if it becomes law.

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, first of all may I say that this is a long-delayed piece of legislation in the interest of doing the fair-minded, honest Government employees, simple justice, and I shall support it.

It is easy to find fault with the expenditures of the Government and to point out specific cases where Government employees violate the law in the matter of travel. As a member of the Committee on Appropriations, a member who has spent a great deal of time examining travel estimates that have been submitted by the various executive agencies of Government, I can say that I know there can be shown instance after instance where Government employees have violated existing law in the matter of travel. This is a matter that is repeatedly being called to the attention of the administrative agencies of our Government and it is an administrative matter.

We know that people sometimes find it convenient to travel to Kentucky when the Kentucky Derby is on, we know that they sometimes find it convenient to travel to Florida when the sunshine is at its best; but may I say that from my observation the overwhelming majority of the rank and file of Government employees do not want to travel and in many instances resist the action of their superiors in compelling them to travel

because they are required to pay a large portion of the expense out of their own pockets.

What is the situation presently? Every agency of Government submits a proposal to the Appropriations Committee for a travel estimate. Thus this Congress through its Appropriations Committee has all the opportunity in the world to write in language in an appropriation bill limiting them in whatever way the committee sees fit and to only appropriate the amount of money that this Congress deems proper to be spent for travel, even under this bill. Every single agency comes up with its estimates for travel. We go into them meticulously, including the matter of the number of automobiles, the matter of replacement and the use of those automobiles. But all the laws in the world cannot govern human conduct in every little aspect. I know there are people using Government automobiles who ought not to use them, but I also know that Government agencies have committees that are at work all the time trying to correct that practice, and disciplinary action has frequently been imposed upon those who violate the rules and regulations with respect to the use of automobiles.

I want to see the honest, decent Government employee adequately compensated if in the performance of his duties and functions he must travel in the public interest. It seems to me it is beside the question to point to the fact that the Congress has failed to properly take care of the aged. I agree with that. But that is another problem. That problem is not before the House at the present time. I hope it will come before the Congress soon and I have been urging it for a long time; but in this matter do not claim that every Government employee is attempting to filch the Government in the matter of travel. When a man is compelled to travel, I know in agencies with which I am familiar, they outline and set up not only the purpose of the travel but the routes to be taken and they know from a spot check what the expense ought to be for hotel and suitable accommodations. There is no one filching very much on the Government at \$6 a day, I can tell you that, and they will not be filching much on the Government at \$9 a day, either, under present conditions. So I hope we will not be misled by a little flamboyant argument which to me does not touch the merits of the situation at all.

We have it within our control to limit the appropriations, if necessary, for travel and to make any investigation we desire to see that those who are in travel status comply with the law.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Illinois.

Mr. PRICE. I want to say to the gentleman from Wisconsin that I thoroughly agree with every word he has said on this subject. From my acquaintance with the operation of the different departments, in my opinion they are over-rigid in the requirements that they set up on travel.

Mr. KEEFE. Well, I want to say, and I am not critical, that I have never taken a trip at Government expense in the 10 years I have been in Congress. I have never taken a trip of any kind or character. I perhaps should have taken some. But I note when some of the bills come in by Members of Congress that have been taking trips all over the world, and making investigations in the field, that their expenses are not limited to \$6 a day that the Government employees are limited to, regardless of what their status may be. Now, there is a matter of simple justice that is involved here for the Government employees. You hired them. We hired them. If we have too many employees, let us get rid of them. If we are spending too much for travel, let us cut the appropriations. That is the place to do it and not in a bill such as this.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. The Clerk will read.

The Clerk read as follows:

SEC. 2. When used in this act—

(1) The term "departments and establishments" means (A) any executive department, independent commission, board, bureau, office, agency, or other establishment in the executive branch of the Government, including wholly owned Government corporations and the municipal government of the District of Columbia, and (B) any office, agency, or other establishment in the legislative branch of the Government (except Members of Congress and offices and committees of the Senate and the House of Representatives), and (C) any office, agency, or other establishment in the judicial branch of the Government.

(2) The term "subsistence" means lodging, meals, and other necessary expenses incidental to the personal sustenance or comfort of the traveler.

(3) The term "per diem allowance" means a daily flat rate of payment in lieu of actual expenses.

SEC. 3. Civilian officers and employees of the departments and establishments (except justices and judges), while traveling on official business and away from their designated posts of duty, shall be allowed, in lieu of their actual expenses for subsistence and all fees or tips to porters and stewards, a per diem allowance to be prescribed by the department or establishment concerned, not to exceed the rate of \$10 within the limits of the continental United States and in case of travel beyond the limits of the continental United States not to exceed rates established by the Director of the Bureau of the Budget for the locality in which the travel is performed.

SEC. 4. Civilian officers or employees of departments and establishments or others rendering service to the Government shall, under regulations prescribed by the Director of the Bureau of the Budget, and whenever such mode of transportation is authorized or approved as more advantageous to the Government (except that no determination of advantage is required where payment on a mileage basis is limited to the cost of travel by common carrier, including per diem), be paid in lieu of actual expenses of transportation not to exceed 4 cents per mile for the use of privately owned motorcycles, or 7 cents per mile for the use of privately owned auto-

mobiles or airplanes, when engaged on official business within or outside their designated posts of duty or places of service. In addition to the mileage allowances provided for in this section, there may be allowed reimbursement for the actual cost of ferry fares, and bridge, road, and tunnel tolls.

SEC. 5. The departments and establishments may advance, through the proper disbursing officers to any person entitled to per diem or mileage allowances under this act, such sums as may be deemed advisable considering the character and probable duration of the travel to be performed. Any sums so advanced and not used for allowable travel expense shall be recoverable by set-off of salary due, retirement credit, or otherwise, from the person to whom advanced, or his estate, by deduction from any amount due from the United States, or by such other legal method of recovery as may be necessary.

SEC. 6. The fixing and payment under this act of travel allowances, of advances and recovery thereof, and reimbursement of travel expenses under the act of March 3, 1875 (5 U. S. C. 73), shall be in accordance with regulations which shall be promulgated by the Director of the Bureau of the Budget.

SEC. 7. This act shall not be construed to modify or repeal any act providing for the traveling expenses of the President of the United States, President of the Senate, of Senators, Representatives, Delegates, and Resident Commissioners.

SEC. 8. (a) The Subsistence Expense Act of 1926 and the Auto Mileage Act of February 14, 1931, are repealed. All acts (other than the act of March 3, 1875 (5 U. S. C. 73), and appropriation items for examination of estimates in the field) providing for reimbursement of actual travel or transportation expense; and all other acts, general or special, which are inconsistent with or in conflict with the provisions of this act (except such acts or parts of acts as fix or permit rates higher than the maximum rates established under this act) are hereby modified, but only to the extent of inconsistency or conflict with the provisions of this act: *Provided, however*, That acts making appropriations for the fiscal years 1949 and 1950 (whether approved before or after the approval of this act) which authorize or permit, in either general or specific terms, the payment of travel or transportation expenses without regard to the Subsistence Expense Act of 1926, as amended, or the Standardized Government Travel Regulations, shall be construed to authorize payment of such expenses from the appropriation concerned without regard to this act.

(b) Wherever provision is made in any law for the payment of per diem allowances to officers and employees in any branch or establishment of the Government not covered by this act, in accordance with the rates provided in the Subsistence Expense Act of 1926, such law is hereby amended to provide for payment at the rates prescribed in or under this act.

SEC. 9. This act shall take effect on the thirtieth day after the date of its enactment.

Mr. KARSTEN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and printed at this point in the RECORD, and be open to amendment at any point thereof.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 18, strike out "\$10" and insert "\$9."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PRIEST) having assumed the chair, Mr. BATES of Kentucky, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3005) to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government, pursuant to House Resolution 205, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

COMMODITY CREDIT CORPORATION CHARTER ACT

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 208 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2682) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock-piling Act, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Massachusetts [Mr. HERTER] and yield myself such time as I may use.

Mr. Speaker, House Resolution 208 makes in order the immediate consideration of a bill (H. R. 2682) to amend the CCC Charter Act, the Strategic and Critical Materials Stock-piling Act, and for other purposes. The resolution provides for an open rule and 2 hours of general debate.

This bill will generate considerable controversy, much of which, in my judgment, arises from general misunderstanding as to the purpose, intent, and necessity for legislation of this charac-

ter. I am hopeful that general debate will dispel the uncertainty and much of the apparent controversy.

The CCC was created in 1933 as a Delaware corporation, and under such charter it had wide powers. Subsequently it operated and became a most helpful and useful instrument of the Government in carrying forward its farm program, and, with few exceptions, the corporation had the confidence of everyone. Under the President's reorganization plans, the corporation was made a part of the United States Department of Agriculture, and the Secretary of Agriculture was given the responsibility for general direction, supervision, and administration of its operations. Pursuant to the Government Corporation Control Act, the corporation was given a Federal charter in 1948. The corporation operated from 1939 until 1948 with the Secretary of Agriculture exercising the rights of the United States as sole stockholder. The Federal Charter Act of 1948 placed the control of the corporation in its board of directors. H. R. 2682, which is proposed for consideration under the rule, would amend that feature of the act and restore to the Secretary of Agriculture the authority to supervise and direct the activities of the corporation. The committee, and many of us, are of the opinion that this is good administrative procedure. The Secretary of Agriculture is responsible for the price-support program. The agency by which he discharges this responsibility is the CCC. It follows, therefore, that he should have the direct control and supervision of the corporation in order that he might properly and efficiently discharge his responsibility. There are no hidden purposes, no evil motives. Simply, it is proposed to place authority with responsibility.

A program which undertakes to stabilize farm commodity prices by assuring a minimum loan price or by removing and disposing of burdensome surpluses by other means, is essential to the general welfare of our economy. Experience—bitter experience—has taught us that we can have no national security and prosperity without a prosperous farm economy. The CCC has contributed materially to our agricultural program and is the most important means of supporting farm prices and of reducing surpluses of farm commodities.

The second feature of the proposed legislation concerns the proper function of the Corporation in providing adequate storage for agricultural commodities. H. R. 2682 would restore authority to the CCC to acquire items of personal property used in connection with the care and preservation of agricultural commodities controlled by it. Also, it would permit the Corporation to acquire real property and such plants and facilities which are part of the realty as are necessary to provide adequate storage. The present law prevents the Corporation from acquiring or leasing real property for handling, storing, processing, servicing and transporting agricultural commodities subject to its control.

If the proposed measure is adopted, the Corporation can develop a well-rounded program under which it can

acquire grain bins and other storage facilities, and can make them available to producers through the purchase and resale of bins and materials. In addition, it could make loans to construct or otherwise acquire such facilities, and assist in the solution of storage problems through other means. There would remain, however, the general prohibition upon the acquisition of real property or other facilities unless the Corporation determined that existing privately owned facilities for such commodities in the area concerned were not adequate. The bill would require the fullest cooperation on the part of the Corporation with private industry. This is the most important provision of the bill. There are Members who do not agree with the wisdom of the price-support program; however, an overwhelming majority of this House is convinced that the program has contributed materially to the welfare and stability of our Nation. In my area the price-support program is badly crippled and in some instances, it is useless and helpless, as a result of the lack of storage facilities for agricultural commodities. The absence of such facilities works an irreparable hardship upon the producers.

Approximately 15,000,000 bushels of sorghum grain is grown annually within a radius of 50 miles of my home. This is, I believe, the greatest grain-producing area in the United States without a terminal grain elevator and storage facilities for the orderly marketing of the crops. During the 1948 shipping season grain growers in this area, due to the lack of storage facilities, had to ship their products several hundred miles. Much of this grain was later exported, which, of course, required additional rail hauling to ports of embarkation. I am advised that the total expense of movement over this route was in the neighborhood of 59 cents per hundred pounds. Hundreds of thousands of dollars would have been saved if adequate storage had been available.

More unfortunate, however, was the fact that much of the grain could not be placed in the farm-support-price program because of the lack of storage. Consequently, the producers were forced to sell below the value established by the price-support program. This resulted in great losses again to the producers. In this connection, the average freight on the car of grain to Galveston or Houston amounts to \$300 per car. Last year a minimum of 6,000 cars were produced in that area. It is quite easy to see that approximately \$2,000,000, which could have gone to the producers, went to freight.

When the chairman of the Committee on Agriculture appeared before the Committee on Rules, we were assured that it was the intent of the Secretary of Agriculture and the President of the CCC to exercise the authority proposed in H. R. 2682 through private channels. Farmer cooperatives and private will unquestionably be pleased to cooperate with the CCC in providing adequate storage facilities for grain and other commodities if this bill is passed. I do not believe that it is necessary for the Government to

construct storage facilities. I do not favor that practice. I favor private construction with Government aid, and this bill will lead to that. I am convinced, however, that unless the CCC and the Secretary of Agriculture have the power and authority as proposed in H. R. 2682, to extend help and credit to private industry, we will not secure adequate or proper storage facilities. Unquestionably, Congress intended that the farmer should have the benefit of the price-support program. That program cannot now be fully effective with the present storage facilities in many areas. This bill is timely, it is consistent with our concepts of private enterprise and the proper function of Government in the great agricultural program. I am hopeful that there will be no objection to the rule and that we may consider this important legislation without delay.

Mr. HERTER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, as the gentleman from Texas has said, this is a controversial measure. I think it has in it certain provisions which should probably be enacted into law. For that reason, I will not fight the rule on the bill. On the other hand, unless this bill is amended, and quite drastically amended, I will not be able to vote for it. I should like to point out one or two things that this bill does which seem to me to go way beyond the intent of the original measure.

Last year, with our very large crops and our surpluses, the support program failed in certain respects because adequate storage in certain areas, particularly for grain, was not available. I think everyone is sympathetic, with the prospect of another great crop coming on in this country, to making such storage available, in the event that private industry cannot supply it. This bill, however, goes very much further than merely making storage available. In the first place, it is so broadly drafted that the Commodity Credit Corporation, by determining itself that adequate storage facilities are not available in any given area, may then construct, purchase, own, or take an interest in new storage facilities. There is no limitation whatever on the amount of money that they can spend for that purpose. In fact, all the resources of the Commodity Credit Corporation are available for storage if the directors of the Commodity Credit Corporation so wish to apply them.

In the second place, Mr. Speaker, the Commodity Credit Corporation is no longer a corporate entity. It has become under this bill a dummy for the Secretary of Agriculture. It used to have a Board of Management. Under this bill the Secretary of Agriculture appoints every one of the Directors, and the Directors have to operate under him as chairman subject to his general supervision and direction. In other words, he not only appoints every member of the board, but they have to operate under his supervision and direction. You might just as well have a single-man show running the whole thing and controlling well over four billions of dollars without any check whatsoever as to how the money is spent, except the

statutory check, which is an extremely broad one.

I am hopeful that when this bill comes up for amendment, that an amendment will be offered which will make it very clear that the Commodity Credit Corporation is not going to go into the business of building storage facilities in competition with private industry in a given area or in an area where they may claim they have to have new cold storage or other facilities to take care of perishable goods, when there is plenty of storage available at comparatively short-haul distances away from the area where they feel new storage facilities should be had.

Clearly, every safeguard ought to be put into this bill to keep the Government out of competition with private industry.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. HERTER. Mr. Speaker, I yield myself two additional minutes.

Mr. Speaker, I have yielded myself this extra time because I want to get one question cleared up, if I might.

I am wondering if I could have the attention of the chairman of the committee for a question.

I notice that in this bill there is language on page 2 line 18 which allows the Commodity Credit Corporation to create storage facilities within an area concerned. I am particularly interested in connection with wool. For instance, the Boston area and the Atlantic seaboard has for a hundred years or more been the greatest storage for the wool industry. I have talked to my woolen friends who are producers from the West, and they tell me they have no desire or intention of having storage facilities anywhere but on the Atlantic coast and that they would attempt to maintain the historic markets for wool as they have in the past. However, this bill would allow the Commodity Credit Corporation to take all of that business away, because clearly no one would claim, through the language of this bill, that the Atlantic seaboard is in the area where the wool clip is secured.

I wonder if the gentleman can clear that matter up for me.

Mr. SPENCE. I have a letter from the acting head of the Commodity Credit Corporation which discusses that proposition, and I think his statement will be satisfactory to the gentleman.

Mr. HERTER. Will the gentleman incorporate that in the RECORD?

Mr. SPENCE. I intend to read it to the House and have it incorporated in the RECORD.

Mr. HERTER. That makes it clear that there is no intent to store wool in the West where the clip is sheared?

Mr. SPENCE. There is no attempt at all, where the private facilities in the East are adequate. They say it is historically true that they have been adequate. I would judge from the language of the letter that they do not intend to go into any other section.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. HERTER] has again expired.

Mr. HERTER. Mr. Speaker, I yield myself two additional minutes.



81ST CONGRESS
1ST SESSION

H. R. 3005

IN THE SENATE OF THE UNITED STATES

MAY 11 (legislative day, APRIL 11), 1949

Read twice and referred to the Committee on Expenditures in the Executive
Departments

AN ACT

To regulate subsistence expenses and mileage allowances of
civilian officers and employees of the Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Travel Expense Act of
4 1949".

5 SEC. 2. When used in this Act—

6 (1) The term "departments and establishments" means
7 (A) any executive department, independent commission,
8 board, bureau, office, agency, or other establishment in the
9 executive branch of the Government, including wholly
10 owned Government corporations and the municipal govern-
11 ment of the District of Columbia, and (B) any office,

1 agency, or other establishment in the legislative branch of
2 the Government (except Members of Congress and offices
3 and committees of the Senate and the House of Representa-
4 tives), and (C) any office, agency, or other establishment
5 in the judicial branch of the Government.

6 (2) The term "subsistence" means lodging, meals, and
7 other necessary expenses incidental to the personal sus-
8 tenance or comfort of the traveler.

9 (3) The term "per diem allowance" means a daily flat
10 rate of payment in lieu of actual expenses.

11 . SEC. 3. Civilian officers and employees of the depart-
12 ments and establishments (except justices and judges), while
13 traveling on official business and away from their designated
14 posts of duty, shall be allowed, in lieu of their actual ex-
15 penses for subsistence and all fees or tips to porters and
16 stewards, a per diem allowance to be prescribed by the de-
17 partment or establishment concerned, not to exceed the rate
18 of \$9 within the limits of the continental United States
19 and in case of travel beyond the limits of the continental
20 United States not to exceed rates established by the Director
21 of the Bureau of the Budget for the locality in which the
22 travel is performed.

23 SEC. 4. Civilian officers or employees of departments
24 and establishments or others rendering service to the Govern-
25 ment shall, under regulations prescribed by the Director of

1 the Bureau of the Budget, and whenever such mode of trans-
2 portation is authorized or approved as more advantageous
3 to the Government (except that no determination of ad-
4 vantage is required where payment on a mileage basis is
5 limited to the cost of travel by common carrier, including
6 per diem) , be paid in lieu of actual expenses of transportation
7 not to exceed 4 cents per mile for the use of privately owned
8 motorcycles, or 7 cents per mile for the use of privately
9 owned automobiles or airplanes, when engaged on official
10 business within or outside their designated posts of duty or
11 places of service. In addition to the mileage allowances
12 provided for in this section, there may be allowed reimburse-
13 ment for the actual cost of ferry fares, and bridge, road, and
14 tunnel tolls.

15 SEC. 5. The departments and establishments may ad-
16 vance, through the proper disbursing officers to any person
17 entitled to per diem or mileage allowances under this Act,
18 such sums as may be deemed advisable considering the char-
19 acter and probable duration of the travel to be performed.
20 Any sums so advanced and not used for allowable travel
21 expense shall be recoverable by set-off of salary due, retire-
22 ment credit, or otherwise, from the person to whom ad-
23 vanced, or his estate, by deduction from any amount due
24 from the United States, or by such other legal method of
25 recovery as may be necessary.

1 SEC. 6. The fixing and payment under this Act of travel
2 allowances, of advances and recovery thereof, and reimburse-
3 ment of travel expenses under the Act of March 3, 1875
4 (5 U. S. C. 73), shall be in accordance with regulations
5 which shall be promulgated by the Director of the Bureau
6 of the Budget.

7 SEC. 7. This Act shall not be construed to modify or
8 repeal any Act providing for the traveling expenses of the
9 President of the United States, President of the Senate, of
10 Senators, Representatives, Delegates, and Resident Com-
11 missioners.

12 SEC. 8. (a) The Subsistence Expense Act of 1926 and
13 the Auto Mileage Act of February 14, 1931, are repealed.
14 All Acts (other than the Act of March 3, 1875 (5 U. S. C.
15 73), and appropriation items for examination of estimates
16 in the field) providing for reimbursement of actual travel
17 or transportation expense; and all other Acts, general or
18 special, which are inconsistent with or in conflict with the
19 provisions of this Act (except such Acts or parts of Acts
20 as fix or permit rates higher than the maximum rates estab-
21 lished under this Act) are hereby modified, but only to
22 the extent of inconsistency or conflict with the provisions
23 of this Act: *Provided, however,* That Acts making appro-
24 priations for the fiscal years 1949 and 1950 (whether ap-
25 proved before or after the approval of this Act) which

1 authorize or permit, in either general or specific terms, the
2 payment of travel or transportation expenses without regard
3 to the Subsistence Expense Act of 1926, as amended, or
4 the Standardized Government Travel Regulations, shall be
5 construed to authorize payment of such expenses from the
6 appropriation concerned without regard to this Act.

7 (b) Wherever provision is made in any law for the
8 payment of per diem allowances to officers and employees
9 in any branch or establishment of the Government not
10 covered by this Act, in accordance with the rates provided
11 in the Subsistence Expense Act of 1926, such law is hereby
12 amended to provide for payment at the rates prescribed in
13 or under this Act.

14 SEC. 9. This Act shall take effect on the thirtieth day
15 after the date of its enactment.

Passed the House of Representatives May 10, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

MAY 11 (legislative day, APRIL 11), 1949

Read twice and referred to the Committee on Expenditures in the Executive Departments

REGULATING SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES OF CIVILIAN OFFICERS AND EMPLOYEES OF THE GOVERNMENT

MAY 27 (legislative day, MAY 23), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, submitted the following

REPORT

[To accompany H. R. 3005]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (H. R. 3005) to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments made by your committee to the House bill are all clarifying or clerical amendments and it is unnecessary to give a detailed explanation of each amendment. In the cases where reference to any amendment was deemed advisable, that has been taken care of in the section-by-section explanation which appears later in this report. Inasmuch as the draft on which the House bill was based was worked out by the staff of this committee, in cooperation with the staff of the House committee and interested agencies of the Government, no extensive revision was necessary.

MAXIMUM PER DIEM ALLOWANCE

The principal effect of the bill is to raise the per diem in lieu of subsistence from a maximum of \$6 to \$9 per day for Government employees traveling on official business away from their designated posts of duty.

Your committee feels that \$9 per day is an equitable allowance that will cover the normal travel expenses. It is believed to be a conservative but fair figure that may be authorized by the head of each department or independent agency when authorizing travel to be performed in metropolitan areas or other places where the cost of living is high. The \$9 per diem allowance provided in the bill is not mandatory, but

is a maximum which may be allowed only when the cost of living in the areas where travel is to be performed justifies that amount. It was pointed out to the committee that in some departments it has been the practice to authorize a subsistence allowance below the maximum authorized by law. This practice should continue and it is urged that the various departments and agencies exercise the utmost discretion to see that only the amount necessary to cover actual and necessary expenses be approved.

The purpose of the increase in subsistence allowance is to enable the traveler to be more equitably reimbursed for lodging, subsistence, and other incidental costs which he incurs on official business while away from his designated post of duty. In view of the foregoing the committee urges that each department pay particular attention to the amount authorized for travel and the number of travelers to perform official travel, and exercise diligent control over such travel authorizations.

The following table, prepared by the Federal Security Agency, indicates that the per diem allowance authorized in this bill is closely in accord with the average of such allowances in the States:

State employment security agency maximum per diem or subsistence rates for interstate travel

State	Existing maximum rates		Basis for establishing rate
	Actual expense	Per diem	
Alabama:			
Others.....	\$9.00	-----	} Agreement.
Director.....	10.00	-----	
Alaska.....		\$10	State statute.
Arizona.....	10.00	-----	Do.
Arkansas:			
Others.....	9.00	-----	} Agreement.
Administrator.....	10.00	-----	
California:			
Others.....	11.00	-----	} State board of control rules.
Commission members.....	12.00	14	
Colorado:			
Others.....	9.00	-----	} Agreement.
Administrative head.....	10.00	-----	
Connecticut.....	8.00	-----	State rules.
Delaware.....	10.00	6	Agreement.
Florida.....	10.00	-----	State statute.
Georgia:			
Others.....	9.00	-----	} Agreement.
Administrative head.....	10.00	-----	
Hawaii.....		10	State statute.
Idaho:			
Others.....		9	} Agreement—based on Attorney General's opinion.
Administrative head.....		10	
Illinois.....	6.60	-----	Rules of State department of finance.
Indiana.....		9	State rules.
Iowa:			
Within regulation VII.....	7.00	-----	} Agreement.
Outside regulation VII.....	9.00	-----	
Kansas:			
Others.....	9.00	-----	} Do.
Executive director ¹		-----	
Kentucky.....	9.00	-----	Do.
Louisiana.....	6.50	-----	State rules.
Maine.....	9.00	-----	Agreement (a recent order of the Governor and council allows \$8 for hotels on out-of-State travel).
Maryland.....	9.00	-----	Rules of State comptroller.
Massachusetts.....	11.75	-----	Based on statement furnished by budget commission as to State-wide limitation.
Michigan:			
Executives.....	10.90	-----	} Rules of State administration board.
Others.....	8.25	-----	

Amounts in excess of \$9 paid from special fund.

State employment security agency maximum per diem or subsistence rates for interstate travel—Continued

State	Existing maximum rates		Basis for establishing rate
	Actual expense	Per diem	
Minnesota:			} Agreement—State rules of department of administration allow \$5.50 a day for meals—silent on allowance for lodgings.
Others.....	\$9.00	-----	
Administrative head.....	10.00	-----	
Mississippi:			} Agreement.
Others.....		\$8	
Executive director.....		9	
Missouri:			} Agreement.
Director or his representative.....	10.00	-----	
Others.....	8.00	-----	
Montana.....	7.00	-----	State statute.
Nebraska:			} Agreement.
Others.....	9.00	-----	
Administrative head.....	10.00	-----	
Nevada.....		10	Rules of State board of examiners.
New Hampshire.....	9.00	-----	Agreement.
New Jersey.....	7.00	-----	Based on rules approved by Governor.
New Mexico:			} Agency actually has no limitation in its regulations but has stated it will pay amounts in excess of top limits specified in fiscal standard from Special Administration Fund.
Others.....	9.00	-----	
Administrative head.....	10.00	-----	
New York.....	9.50	-----	Rules of State comptroller.
North Carolina.....	3.00	-----	State statute.
North Dakota.....	7.00	-----	State rules.
Ohio:			} Agreement.
Others.....	9.00	-----	
Executive director.....	10.00	-----	
Oklahoma.....		10	State statute.
Oregon.....		9	State rules.
Pennsylvania.....		2 9	Do.
Rhode Island.....	10.00	10	Rules of State department of finance.
South Carolina.....	10.00	-----	State statute.
South Dakota:			} Agreement.
Others.....	9.00	-----	
Administrator.....	10.00	-----	
Tennessee:			} Do.
Others.....	9.00	-----	
Commissioner.....	10.00	-----	
Texas.....	9.00	-----	Do.
Utah:			} Do.
Others.....	9.00	-----	
Executive director.....	10.00	-----	
Vermont.....	9.00	-----	Do.
Virginia.....	8.00	-----	Do.
Washington.....		8	State statute.
West Virginia:			} Agreement.
Others.....	9.00	-----	
Director.....	10.00	-----	
Wisconsin.....	9.00	-----	State rules.
Wyoming:			} State statute.
Others.....		8	
Executive director and members of commission.....		10	

² Average.

The average maximum amount allowed by the 50 States and Territories for subsistence of their employees, as indicated by the above-mentioned list, is \$8.91 per day. That figure does not include extra allowances which are provided, in 19 jurisdictions, for top officials, in amounts ranging from \$1 to \$3 in excess of the maximum established for other employees.

MILEAGE ALLOWANCE

Data furnished by the Bureau of the Budget in justification of the increase from 5 to 7 cents in mileage allowance for use of privately owned automobiles by employees on official business is based on the following: Bureau of the Budget study, 7.23 cents per mile; report of

the American Automobile Association, based on data submitted by a firm of cost-accounting engineers, 8¼ cents per mile for a postwar car and just over 7 cents per mile for a prewar car; and average payments by State agencies of 6 cents (including a minimum of 4¼ cents and a maximum of 8 cents). Your committee feels that the 7-cent figure is conservative when consideration is given to the inflated cost of procuring automobiles, the increased cost of repairs, gas, and oil, depreciation and other expenses.

Automobile mileage rates paid State employment security agency employees

Cents		Cents	
Alabama	5.	Montana	7.
Alaska	7.	Nebraska	5.
Arizona	5.	Nevada	7½.
Arkansas	5 and 6.	New Hampshire	5.
California	7 for first 300, 6 for next 400, 5 thereafter.	New Jersey	7.
Colorado	7.	New Mexico	7.
Connecticut	5.	New York	7.
Delaware	7.	North Carolina	6.
Florida	6.	North Dakota	7½.
Georgia	5.	Ohio	6.
Hawaii	6.	Oklahoma	6.
Idaho	5.	Oregon	5.
Illinois	6.	Pennsylvania	6.
Indiana	6.	Rhode Island	5.
Iowa	5.	South Carolina	5.
Kansas	5.	South Dakota	5.
Kentucky	7.	Tennessee	5.
Louisiana	4-6.	Texas	5.
Maine	8.	Utah	6.
Maryland	7.	Vermont	6.
Massachusetts	7.	Virginia	5.
Michigan	6.	Washington	5.
Minnesota	5.	West Virginia	7.
Mississippi	6.	Wisconsin	4½ for first 1,000, 4 after.
Missouri		Wyoming	7.

Highest, 8; lowest, 4½; average, 6; 7 cents or better, 16.

COST OF THE BILL

The Bureau of the Budget estimates that this bill will cost approximately \$52,777,000 a year in excess of the amount expended under existing law. This estimate was obtained by examining approximately 10,000 vouchers to determine what percentage of the travel costs represented subsistence, and the amount which represented auto mileage. From this analysis it was determined that 54 percent of the travel costs was for subsistence, and approximately 20 percent for auto-mileage allowance. These percentages were then applied to the total civilian-travel estimates for 1949 (\$151,000,000) and the result was multiplied by the percentage increase in both subsistence and auto-mileage rates.

The table below illustrates how the estimated maximum cost was ascertained:

Total travel (in 1949 budget) -----	\$317, 000, 000
Less: Military travel -----	166, 000, 000
Civilian travel -----	151, 000, 000
Per diem (54 percent of \$151,000,000×50 percent) ¹ -----	40, 777, 000
Auto mileage (20 percent of \$151,000,000×40 percent) ² -----	12, 000, 000
Total estimated cost -----	52, 777, 000

¹ Increase from \$6 to \$9 represents an increase of 50 percent.

² Increase from 5 to 7 cents per mile represents an increase of 40 percent.

EXPLANATION OF H. R. 3005 BY SECTIONS (AS REPORTED BY SENATE COMMITTEE)

Section 1. Short title.—"Travel Expense Act of 1949."

Section 2. Definitions, coverage, and exemptions.—This section defines the terms, "departments and establishments," "subsistence," "per diem allowance," and "Members of Congress."

It is intended that the bill be applicable to all branches of the Government (including the postal service). By covering the legislative, executive, and judicial branches in one bill, uniformity is assured in the Federal service with respect to reimbursement for expenses incurred for travel on official business. The coverage of judicial employees will operate in part to displace 28 United States Code 962, which empowers the Director of the Administrative Office of the United States Courts to promulgate regulations covering travel and subsistence expenses of officers and employees of the courts of the United States and of the Administrative Office of the United States Courts. Traveling expenses of justices and judges themselves will be controlled by the provisions of this bill, except section 3 below. The provisions of 28 United States Code 456, authorizing allowance of "necessary traveling expenses" to judges and justices, will be modified to the extent of any inconsistency or conflict with the provisions of this bill. The Director of the Administrative Office of the United States Courts has expressed the view that the inclusion of judicial employees in this bill is most desirable. As for the legislative branch, Members of Congress and offices and committees of the Senate and House of Representatives are excepted from the bill.

Section 3. Per diem allowance.—The maximum per diem allowance for travel within the limits of the continental United States is to be raised from \$6 to \$9 in recognition of the substantial increase in subsistence costs since January 30, 1942, the date of the last amendment to the Subsistence Expense Act of 1926.

For travel beyond the limits of the continental United States a per diem allowance may be authorized at rates not to exceed the maximum rates established by the Director of the Bureau of the Budget for the locality in which the travel is performed. It is intended that the term "continental United States," as used in this section, shall have the same meaning as that set out in section 18 of Public Law 600, approved August 2, 1946 (60 Stat. 811), namely, the 48 States and the District of Columbia.

It is to be noted again that the bill provides for maximum rates only, and does not require or contemplate that such maximum rates be allowed in all cases. It is intended that the proper officers in the

departments and establishments see to it that travel orders authorize only such per diem rates within the maximum as are justified by the circumstances under which the travel is to be performed. While the rate to be authorized in individual instances is for departmental determination up to the maximum, it is the responsibility of the heads of those departments and establishments to exercise such care as is necessary to prevent the fixing of a per diem rate in excess of that required to meet the necessary authorized expenses.

The bill would reenact present statutory language which has been held to require the bona fide designation of the true headquarters or post of duty for service away from which a subsistence "per diem" can be paid. It does not permit the designation of a fictitious post of duty at which no services are to be performed solely for the purpose of paying a per diem (*Fidelity and Deposit Company of Maryland v. United States* ((C. C. A.) 55 F. (2d) 100; 19 Comp. Gen. 347; 27 id. 657).

Justices and judges are exempted from this section of the bill, and payment of subsistence expenses to them still will be controlled by the provisions of 28 United States Code 456, authorizing allowance of "reasonable maintenance expenses actually incurred, not exceeding \$10 per day."

Section 4. Mileage.—The present law authorizes mileage to be paid for the use of a private car either for local driving at the employee's station or for trips away from that point. In the former case the maximum rate is 4 cents, and in the latter, 5 cents. This section of the bill would allow the same maximum rate in either case, and would raise the maximum rate to 7 cents. For private motorcycles, the proposed rate change is from 2 to 4 cents and for private airplanes from 5 to 7 cents. The 7-cent rate for auto travel restores the rate which was in effect under the original act of 1931, until its amendment in 1933. Also, it is consistent with Public Law 673, approved last June, which allows 7 cents per mile for the auto travel of United States marshals and their deputies, also Public Law 900 of July 3, 1948, which authorizes 7 cents mileage to rural mail carriers.

Mileage may not be allowed under the current law except where it be determined that the use of a private car, motorcycle, or airplane is more advantageous to the Government. That requirement is retained in the proposed legislation, except that a specific determination of advantage will not be required where payment on a mileage basis is limited to the cost of travel by common carrier.

It is probably unnecessary to point out that employees are not entitled to mileage for the normal day-to-day transportation by private vehicle between their homes and places of employment.

Section 5. Travel advances.—Administrative officials have doubted their authority to attempt recovery by deduction from salary of travel advances for which there has not been a full accounting. Also, Treasury regulations under the present law require a bond in all cases in which a travel advance is made. It is felt that by perfecting the means of recovery of advances made, it will be possible to omit the bond requirement under normal circumstances with its accompanying burden upon the employee who pays the premium. This section does not require employees to furnish bond for sums advanced for travel to be performed and permits recovery of sums so advanced and not

used for allowable travel expenses by set off of salary due, retirement credit, or otherwise. It does not, however, preclude the requiring of a bond in those cases involving advances of funds for travel where the interests of the United States otherwise would not be fully protected.

Section 6. Actual expenses.—This section substantially reenacts that part of the act of March 3, 1875 (18 Stat. 452) which was repealed by section 39 of the act of June 25, 1948, Public Law 773, an act to revise, codify, and enact into law title 28 of the United States Code entitled "Judicial Code and Judiciary." Its purpose is to allow reimbursement for only such actual and necessary travel expenses as are incurred by civilian personnel holding employment or appointment under the United States Government, except as otherwise provided by law.

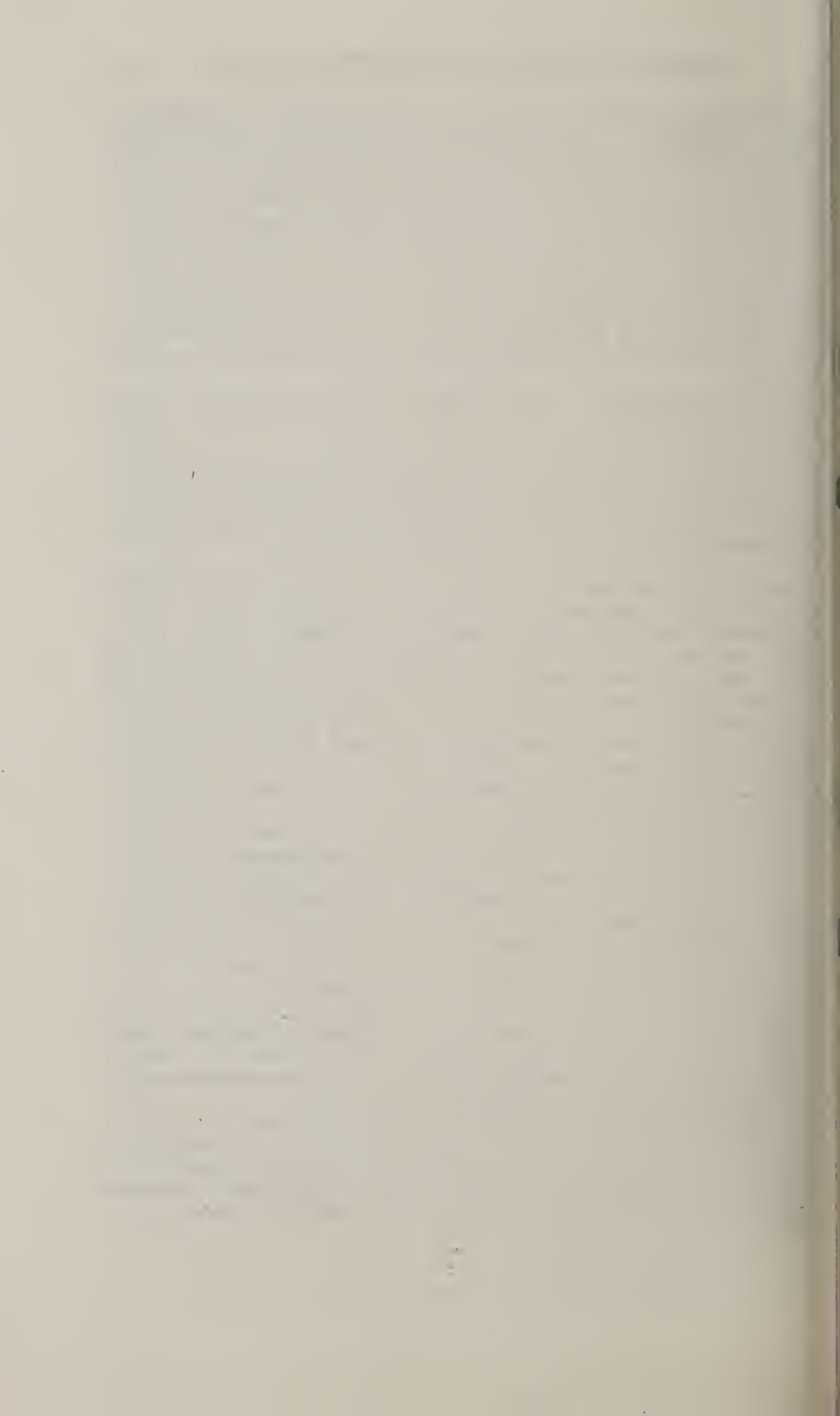
Section 7. Regulations.—This section vests in the Director of the Bureau of the Budget the authority to prescribe regulations covering mileage and per diem allowances, reimbursement of travel expenses and travel advances and recovery thereof. This will centralize that function now performed in part by the Bureau (with the concurrence of the President) and in the Treasury (with respect to travel advances). The purpose of this section is to remove any doubts as to the authority to issue regulations covering travel expenses as a whole.

Section 8. Travel acts not affected.—It is provided that the bill shall not modify or repeal any act providing for travel expenses of the President of the United States or any act providing for mileage allowances for the President of the Senate or Members of Congress. With respect to the President, the language is identical with that now contained in section 10 of the Subsistence Expense Act of 1926.

Section 9. Inconsistent acts repealed.—(a) The adoption of this section will repeal the Subsistence Expense Act of 1926, the Auto Mileage Act of 1931, and will modify all other acts, general or special, covering the type of expenses and allowances embraced by this bill, including those acts authorizing travel without regard to the Subsistence Expense Act of 1926 and/or the Standardized Government Travel Regulations, and those authorizing reimbursement of actual and necessary expenses, and those using similar language, but only to the extent of inconsistency or conflict with its provisions. A similar repeal clause is found in section 9 of the Subsistence Expense Act of 1926. This section is not designed to disturb or affect certain special travel provisions of the Foreign Service Act of 1946 or section 1 of the Administrative Expense Act of 1946, Public Law 600.

Section 9 (b) provides that the rates prescribed in this bill shall apply in those cases where the law now or hereafter authorizes payment of per diem allowances to officers and employees in any branch or establishment not covered by this act, in accordance with the rates provided in the Subsistence Expense Act of 1926.

Section 10. Effective date.—The House bill postponed the effective date until the thirtieth day after enactment for the purpose of allowing time for the promulgation of the regulations required thereunder. In view of the approach of the new fiscal year the committee has amended this provision so that the act will take effect on July 1, 1949.



81ST CONGRESS
1ST SESSION

H. R. 3005

[Report No. 428]

IN THE SENATE OF THE UNITED STATES

MAY 11 (legislative day, APRIL 11), 1949

Read twice and referred to the Committee on Expenditures in the Executive
Departments

MAY 27 (legislative day, MAY 23), 1949

Reported by Mr. McCLELLAN, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To regulate subsistence expenses and mileage allowances of
civilian officers and employees of the Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Travel Expense Act of
4 1949".

5 SEC. 2. When used in this Act—

6 (1) The term "departments and establishments" means
7 (A) any executive department, independent commission,
8 board, bureau, office, agency, or other establishment in the
9 executive branch of the Government, including wholly
10 owned Government corporations and the municipal govern-
11 ment of the District of Columbia, and (B) any office,

1 agency, or other establishment in the legislative branch of
2 the Government (except Members of Congress and offices
3 and committees of the Senate and the House of Representa-
4 tives), and (C) any office, agency, or other establishment
5 in the judicial branch of the Government.

6 (2) The term "subsistence" means lodging, meals, and
7 other necessary expenses incidental to the personal sus-
8 tenance or comfort of the traveler.

9 (3) The term "per diem allowance" means a daily flat
10 rate of payment in lieu of actual expenses.

11 (4) *The term "Members of Congress" means Senators,*
12 *Representatives, Delegates, and Resident Commissioners.*

13 SEC. 3. Civilian officers and employees of the depart-
14 ments and establishments (except justices and judges cov-
15 ered by section 456 of title 28 of the United States Code),
16 while traveling on official business and away from their
17 designated posts of duty, shall be allowed, in lieu of their
18 actual expenses for subsistence and all fees or tips to porters
19 and stewards, a per diem allowance to be prescribed by
20 the department or establishment concerned, not to exceed
21 the rate of \$9 within the limits of the continental United
22 States and in case of travel beyond the limits of the con-
23 tinental United States not to exceed rates established by
24 the Director of the Bureau of the Budget for the locality
25 in which the travel is performed.

1 SEC. 4. Civilian officers or employees of departments
2 and establishments or others rendering service to the Govern-
3 ment shall, under regulations prescribed by the Director of
4 the Bureau of the Budget, and whenever such mode of trans-
5 portation is authorized or approved as more advantageous
6 to the Government (except that no determination of ad-
7 vantage is required where payment on a mileage basis is
8 limited to the cost of travel by common carrier, including
9 per diem), be paid in lieu of actual expenses of transportation
10 not to exceed 4 cents per mile for the use of privately owned
11 motorcycles, or 7 cents per mile for the use of privately
12 owned automobiles or airplanes, when engaged on official
13 business within or outside their designated posts of duty or
14 places of service. In addition to the mileage allowances
15 provided for in this section, there may be allowed reimburse-
16 ment for the actual cost of ferry fares, and bridge, road, and
17 tunnel tolls.

18 SEC. 5. The departments and establishments may ad-
19 vance, through the proper disbursing ~~officers~~ *officers*, to any
20 person entitled to per diem or mileage allowances under this
21 Act, such sums as may be deemed advisable considering the
22 character and probable duration of the travel to be performed.
23 Any sums so advanced and not used for allowable travel
24 expense shall be recoverable by set-off of salary due, retire-
25 ment credit, or otherwise, from the person to whom ad-

1 vanced, or his estate, by deduction from any amount due
 2 from the United States, or by such other legal method of
 3 recovery as may be necessary.

4 *SEC. 6. Except as otherwise permitted by this Act or*
 5 *by the laws relating to military personnel, only actual and*
 6 *necessary traveling expenses shall be allowed to any person*
 7 *holding employment or appointment under the United States.*

8 *SEC. 6 7. The fixing and payment under this Act of*
 9 *travel allowanees, allowances and of advances and recovery*
 10 *thereof, and reimbursement of travel expenses under the*
 11 *Act of March 3, 1875 (5 U. S. C. 73) under this Act, shall*
 12 *be in accordance with regulations which shall be promul-*
 13 *gated by the Director of the Bureau of the Budget.*

14 *SEC. 7 8. This Act shall not be construed to modify or*
 15 *repeal any Act providing for the traveling expenses of the*
 16 *President of the United States, President of the Senate, of*
 17 *Senators, Representatives, Delegates, and Resident Commis-*
 18 *sioners or any Act providing for mileage allowances for the*
 19 *President of the Senate or Members of Congress.*

20 *SEC. 8 9. (a) The Subsistence Expense Act of 1926*
 21 *and the Auto Mileage Act of February 14, 1931, are re-*
 22 *pealed. All Acts (other than the Act of March 3, 1875*
 23 *(5 U. S. C. 73), and appropriation items for examination*
 24 *of estimates in the field) providing for reimbursement of*
 25 *actual travel or transportation expense; All Acts (other than*

1 appropriation items for examination of estimates in the
2 field), applicable to civilian officers or employees of the de-
3 partments and establishments, providing for reimbursement
4 of actual travel or transportation expense, and all other Acts,
5 general or special, which are inconsistent with or in conflict
6 with the provisions of this Act (except such Acts or parts
7 of Acts as fix or permit rates higher than the maximum rates
8 established under this Act) are hereby modified, but only
9 to the extent of inconsistency or conflict with the provisions
10 of this Act: *Provided, however,* That Acts making appro-
11 priations for the fiscal years 1949 and 1950 (whether ap-
12 proved before or after the approval of this Act) which
13 authorize or permit, in either general or specific terms, the
14 payment of travel or transportation expenses without regard
15 to the Subsistence Expense Act of 1926, as amended, or
16 the Standardized Government Travel Regulations; shall be
17 construed to authorize payment of such expenses from the
18 appropriation concerned without regard to this Act.

19 (b) Wherever provision is made in any law for the
20 payment of per diem allowances to officers and employees
21 in any branch or establishment of the Government not
22 covered by this Act, in accordance with the rates provided
23 in the Subsistence Expense Act of 1926, such law is hereby
24 amended to provide for payment at the rates prescribed in
25 or under this Act.

1 SEC. 9 10. This Act shall take effect on ~~the thirtieth~~
2 ~~day after the date of its enactment~~ *July 1, 1949.*

Passed the House of Representatives May 10, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

81ST CONGRESS
1ST Session

H. R. 3005

[Report No. 428]

AN ACT

To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

MAY 11 (legislative day, APRIL 11), 1949

Read twice and referred to the Committee on Expenditures in the Executive Departments

MAY 27 (legislative day, MAY 23), 1949

Reported with amendments

So much of the fifth paragraph of the act of March 3, 1883, as it appears on page 473, volume 22, Statutes at Large, and which reads as follows: "And all officers of the Navy shall be credited with the actual time they may have served as officers or enlisted men in the Regular or volunteer Army or Navy, or both, and shall receive the benefits of such actual service in all respects in the same manner as if all said service had been continuous and in the Regular Navy in the lowest grade having graduated pay held by such officer since last entering the service: *Provided*, That nothing in this clause shall be so construed as to authorize any change in the dates of commission or in the relative rank of such officer: *Provided further*, That nothing herein contained shall be so construed as to give an additional pay to any such officer during the time of his service in the volunteer Army or Navy."

Section 2 of the act of August 3, 1886 (24 Stat. 215), as amended.

So much of section 5 of the act of June 29, 1868, as it appears on page 210, volume 25, Statutes at Large, and which reads as follows: "shall receive the sea-pay of his grade, and * * *."

The second paragraph under the heading "Pay of the Navy" of the act of March 3, 1901, which is the first full paragraph on page 1108, volume 31, Statutes at Large, and which reads as follows: "That the advancement in rank of officers of the Navy and Marine Corps, whensoever made, for service rendered during the war with Spain, pursuant, respectively, to the provisions of sections 1506 and 1605 of the Revised Statutes, shall not interfere with the regular promotion of officers otherwise entitled to promotion, but officers so advanced, by reason of war service, shall, after they are promoted to higher grades, be carried thereafter as additional to the numbers of each grade to which they may at any time be promoted; and each such officer shall hereafter be promoted in due course, contemporaneously with and to take rank next after the officer immediately above him; and all advancements made by reason of war service shall be appropriately so designated upon the official Navy list: *Provided, however*, That no promotion shall be made to fill a vacancy occasioned by the promotion, retirement, death, resignation, or dismissal of any officer who, at the time of such promotion, retirement, death, resignation, or dismissal, is an additional member of his grade under the foregoing provisions."

So much of the first sentence after the subheading "Bureau of Supplies and Accounts" of the act of March 18, 1904, as it appears on page 121, volume 33, Statutes at Large, and which reads as follows: "a civilian assistant, who shall perform the duties of chief clerk, and in case of the death, resignation, sickness, or absence of both the Paymaster General of the Navy and his assistant, now provided for by law, unless otherwise directed by the President, as provided by section 179, Revised Statutes, such civilian assistant shall become the acting chief of the Bureau."

So much of the fourth paragraph under the subheading "Increase of the Navy, Equipment" of the act of May 13, 1908, as it appears on page 159, volume 35, Statutes at Large, and which reads as follows: "and monitors now owned by the United States or hereafter built may be named as the President may direct."

The second paragraph under the subheading "Contingent, Navy," of the act of March 4, 1911, which appears on page 1267, volume 36, Statutes at Large, and which reads as follows:

"That officers on the active list of the line of the United States Navy who, under authority of law, now perform engineering duty

on shore only are hereby made additional to the numbers in the grades in which they are now serving, and shall be carried as additional to the numbers of each grade to which they may hereafter be promoted: *Provided*, That said officers shall be entitled to all the benefits of retirement under existing or future laws equally with other officers of like rank and service."

The second paragraph under the subheading "Contingent, Navy," of the act of March 3, 1915, which appears on page 930, volume 38, Statutes at Large, and which reads as follows:

"Hereafter officers who now perform engineering duty on shore only and officers of the Construction Corps shall be eligible for any shore duty compatible with their rank and grade to which the Secretary of the Navy may assign them."

The ninth paragraph under the subheading "Improvement of construction plants" of the act of March 3, 1915, which appears on page 945, volume 38, Statutes at Large, and which reads as follows:

"Officers of the line of the Navy who have had not less than 3 years' service in the grade of ensign and have taken or are taking satisfactorily a post-graduate course in naval architecture under orders from the Secretary of the Navy shall be eligible for transfer to the grade of assistant naval constructors: *Provided*, That there shall not be more than five such transfers in any one calendar year and that the total increase in the number of naval constructors and assistant naval constructors by reason of such transfers shall not exceed 24."

The following portions of the act of August 29, 1916, chapter 417, volume 39, Statutes at Large, page 556:

(a) Paragraphs 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 18, 21, and 23 under the heading "Naval Flying Corps" in such chapter, which appears on pages 582, 583, 584, 585, and 586.

(b) The last full paragraph, as amended, under the heading "Naval Militia and National Naval Volunteers" in such chapter, which is the fourth full paragraph on page 600.

(c) So much of the third paragraph under the subheading "Increase of the Navy, ammunition" in such chapter, as it appears on pages 617 and 618, and which reads as follows: "That each and every employee of the navy yards, gun factories, naval stations, and arsenals of the United States Government is hereby granted 30 days' leave of absence each year, without forfeiture of pay during such leave: *Provided further*, That it shall be lawful to allow pro rata leave only to those serving 12 consecutive months or more: *And provided further*, That in all cases the heads of divisions shall have discretion as to the time when the leave can best be allowed: *And provided further*, That not more than 30 days' leave with pay shall be allowed any such employee in 1 year: *Provided further*, That this provision shall not be construed to deprive employees of any sick leave or legal holidays to which they may now be entitled under existing law."

So much of the first paragraph under the heading "Pay, miscellaneous," of the act of July 1, 1918, which appears on page 705, volume 40, Statutes at Large, and which reads as follows: "*Provided*, That hereafter the Secretary of the Navy is authorized to consider, ascertain, adjust, determine, and pay the amounts due on all claims for damages to and loss of private property of inhabitants of any European country not an enemy or ally of an enemy when the amount of the claim does not exceed the sum of \$1,000, occasioned and caused by men in the naval service during the period of the present war, all payments in settlement of such claims to be made out of 'Pay, miscellaneous.'"

Paragraph 6 of section 3 (Personnel) of the act of June 24, 1926 (44 Stat. 767).

The last two paragraphs under the heading "Bureau of Supplies and Accounts, pay, subsistence, and transportation of naval personnel" in the act entitled "An act making appropriations for the Navy Department and naval service for the fiscal year ending June 30, 1931, and for other purposes," approved June 11, 1930 (46 Stat. 567, ch. 463), concerning the discharge of minors in the Navy and Marine Corps.

Sections 2, 3, 4, 5, 6, 7, and 8 of the act of March 3, 1931 (46 Stat. 1482).

Act of July 17, 1935 (49 Stat. 482).

AUTHORITY TO ACCEPT FOREIGN DECORATIONS

The bill (S. 1955) to authorize certain persons to accept decorations tendered them by the United Kingdom for services rendered the Allied cause during World War II, and for other purposes was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. LODGE. Mr. President, I should like to ask the Senator from Maryland whether this bill applies entirely to civilians?

Mr. TYDINGS. It applies to scientists, civilians who are outstanding men in their line, and who performed certain scientific services during the war.

Mr. LODGE. Is it the invariable practice to have an act of Congress to enable a civilian official of the Government to receive a foreign decoration?

Mr. TYDINGS. I think it is; if he is in the employ of the Government, certainly.

Mr. LODGE. And does that apply to a decoration from any country, not simply the United Kingdom?

Mr. TYDINGS. The Constitution requires that such matters be cleared in the normal way specified therein.

Mr. LODGE. It is unnecessary, however, is it not, to get legislative authorization for military person to receive a foreign decoration?

Mr. TYDINGS. Yes, it is. It is, now that the war is over. Of course, during the war a different situation exists.

Mr. LODGE. During the war it was not necessary, was it?

Mr. TYDINGS. That is correct. That law has expired. I may say to the Senator from Massachusetts, the Congress passed a special act, applying only during the length of the war, which permitted military and other personnel to accept foreign decorations during the war. But since that act has expired, it becomes necessary in each case, military or civilian, to have special legislation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. TAFT. Is the war over?

Mr. TYDINGS. I should say some phases of it seem to be going on with increased intensity.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. TOBEY. Does this bill cover the general who is connected with the White House?

Mr. TYDINGS. No; it does not. It has nothing to do with any military personnel. These are all scientists, Vannevar Bush and men of that category.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That (a) each of the persons hereinafter named is hereby authorized to accept the award of the decoration described after his name, tendered to him by the Government of the United Kingdom in recognition of the valuable services rendered by him to the Allied cause during World War II in the field of scientific research and development:

Dr. Vannevar Bush, of the National Advisory Committee for Aeronautics—Honorary Knight Commander of the Civil Division of the Most Excellent Order of the British Empire;

Dr. Jerome C. Hunsaker, of the National Advisory Committee for Aeronautics—Honorary Commander of the Civil Division of the Most Excellent Order of the British Empire;

Dr. Hugh L. Dryden, of the National Advisory Committee for Aeronautics—Honorary Officer of the Civil Division of the Most Excellent Order of the British Empire; and

Carroll L. Wilson, of the Atomic Energy Commission—Honorary Officer of the Civil Division of the Most Excellent Order of the British Empire.

(b) Each of the persons hereinafter named is hereby authorized to accept the award of the King's Medal for service in the cause of freedom tendered to him by the Government of the United Kingdom in recognition of the valuable services rendered by him to the Allied cause during World War II in the field of scientific research and development;

Dr. A. V. Astin, of the National Bureau of Standards;

Dr. Fred C. Bishopp, of the Department of Agriculture;

John C. Green, of the Department of Commerce;

Dr. Lawrence R. Hafstad, of the Atomic Energy Commission;

Dr. Edward F. Knipping, of the Department of Agriculture;

Dr. David B. Langmuir, of the Atomic Energy Commission;

Dr. J. Robert Oppenheimer, of the Atomic Energy Commission;

Dr. Eugene W. Scott, of the Research and Development Board of the National Military Establishment; and

Dr. William E. Story, Jr., of the Department of the Army.

SEC. 2. The Department of State is authorized to deliver to each such person the decoration described in section 1 of this act, together with any appurtenance thereto and any document evidencing such award.

Mr. WHERRY subsequently said: Mr. President, I ask unanimous consent that the vote by which the bill (S. 1955), Calendar No. 415, was passed, be reconsidered, with the idea that it be passed over at least temporarily.

The VICE PRESIDENT. Is there objection?

There being no objection, the vote by which the bill (S. 1955) to authorize certain persons to accept decorations tendered them by the United Kingdom for services rendered the Allied cause during World War II, and for other purposes, was reconsidered, and the bill was temporarily passed over.

ATTENDANCE OF UNITED STATES MARINE BAND AT CONFEDERATE VETERANS' ANNUAL REUNION

The bill (H. R. 3341) to authorize the attendance of the United States Marine Band at the fifty-ninth annual reunion of Confederate veterans to be held in Little Rock, Ark., September 27 through September 29, 1949, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. TYDINGS. I desire to make a short announcement in connection with the passage of the bill. The number of Confederate veterans and the number of Union veterans of the Civil War, who are now alive can almost be counted on the fingers of one hand. The committee, in granting the request for the Marine Band for this reunion, felt there were so few veterans left that we should not continue such authorization after this year, and I simply make that announcement so that those who may be interested may know how the committee feels about it.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

MEDAL FOR HUMANE ACTION

The bill (H. R. 2737) to establish the decoration Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to the consideration of the bill.

Mr. TYDINGS. I send to the desk an amendment, which I ask to have considered.

The VICE PRESIDENT. The clerk will state the first amendment offered by the Senator from Maryland.

The LEGISLATIVE CLERK. On page 1, line 3, it is proposed to strike out "decoration" and insert "medal".

The amendment was agreed to.

The next amendment of Mr. TYDINGS was on page 2, after the word "person" in line 2, strike out the comma and the words "but for succeeding actions justifying the award of such medal the President may award a suitable bar or other device to be worn as he shall direct."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to establish the Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany."

BILL PASSED OVER

The bill (S. 595) relating to the internal security of the United States was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SCHOEPEL. I request that the bill go over to the next calendar day.

The VICE PRESIDENT. Without objection, the bill will be passed over.

REGULATION OF SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCE

The Senate proceeded to consider the bill (H. R. 3005) to regulate subsistence expenses and mileage allowance of civilian officers and employees of the Government, which had been reported from the Committee on Expenditures in the Executive Departments, with amendments, on page 2, after line 10, to insert a new subsection (4), as follows:

(4) The term "Members of Congress" means Senators, Representatives, Delegates, and Resident Commissioners."

On page 2, line 14, after the word "judges", to insert "covered by section 456 of title 28 of the United States Code"; on page 3, line 19, after the word "disbursing", to strike out "officers" and insert "officers," on page 4, after line 3, to insert a new section 6, as follows:

SEC. 6. Except as otherwise permitted by this act or by the laws relating to military personnel, only actual and necessary traveling expenses shall be allowed to any person holding employment or appointment under the United States.

On page 4, line 9, after the word "travel", to strike out "allowances," and insert "allowances and"; in line 10, after the word "expenses", to strike out "under the act of March 3, 1875 (5 U. S. C. 73)", and insert under this act"; in line 16, after the name "United States", to strike out the comma and "President of the Senate, of Senators, Representatives, Delegates, and Resident Commissioners", and insert "or any act providing for mileage allowances for the President of the Senate or Members of Congress"; in line 22, after the word "repealed", to strike out "All acts (other than the act of March 3, 1875 (5 U. S. C. 73), and appropriation items for examination of estimates in the field) providing for reimbursement of actual travel or transportation expense;" and insert "All acts (other than appropriation items for examination of estimates in the field), applicable to civilian officers or employees of the departments and establishments, providing for reimbursement of actual travel or transportation expense", and on page 6, line 1, after the word "on", to strike out "the thirtieth day after the date of its enactment", and insert "July 1, 1949."

The amendments were agreed to.

The VICE PRESIDENT. Without objection, the section numbers will be corrected to correspond with the text.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EXTENSION OF REMARKS

Mr. MICHENER asked and was given permission to extend his remarks in the RECORD in two instances and include editorials in each.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper material.

Mr. BRAMBLETT asked and was given permission to extend his remarks in the RECORD and include an article from the Pacific Grove Tribune.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks in the RECORD and include an address delivered by the gentleman from New Jersey, Representative Towe.

PERMISSION TO ADDRESS THE HOUSE

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL EMERGENCY SEIZURE ACT OF 1949

Mr. JAVITS. Mr. Speaker, while the other body debates the labor bill, the House need not stand idle on this issue. The House Committee on Education and Labor should promptly consider the unit question of labor disputes concerning the national health or security, investigate the alternatives offered, and come out with a solution to be enacted in a separate bill or incorporated in the Taft-Hartley law repealer.

The convinced and justified opposition to the use of injunctions in labor disputes, in which I have joined, has created a vacuum in the thinking of many citizens where labor disputes involve the national health or security, who understand completely labor's position but who want an alternative. The fundamental barrier to a real repeal of the Taft-Hartley Act is this fear of such disputes.

In the hope of stimulating the action I have described by the Committee on Education and Labor, I am today introducing this measure, which I have introduced before as amendments to the Taft-Hartley law and the recent Sims bill, and which gives the President plant-seizure powers but provides—as a very important answer to management's and labor's fears of plant seizure—that Government operation must be only on the minimum basis essential to the national health or security.

SPECIAL ORDER GRANTED

Mr. VURSELL asked and was given permission to address the House for 20 minutes on tomorrow at the conclusion of the legislative program of the day and following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. TOWE asked and was given permission to extend his remarks in the REC-

ORD and include an address by Mr. Archibald McIntosh.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include a Memorial Day address by Rear Adm. Daniel E. Barbey, United States Navy.

PERMISSION TO ADDRESS THE HOUSE

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas? There was no objection.

ARMED SERVICES PAY BILL

Mr. KILDAY. Mr. Speaker, today I have introduced a bill to supersede H. R. 4591, the armed-services pay bill, which was recently recommittees to the Committee on Armed Services. I want, at this time, to announce that tomorrow morning at 10 o'clock the subcommittee will begin hearings on the new proposal. The hearings will be held in the Armed Services Committee room. I want all Members to know that the committee will be glad to hear from any Member of the House either in support of or in opposition to the new proposal, at 10 o'clock tomorrow morning in the committee room of the Committee on Armed Services, when the bill will be explained and when we will be glad to hear any Member who wishes to support or oppose the bill.

SUBSISTENCE AND MILEAGE ALLOWANCES FOR GOVERNMENT EMPLOYEES

Mr. KARSTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3005) to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 10, insert:

"(4) The term 'Members of Congress' means Senators, Representatives, Delegates, and Resident Commissioners."

Page 2, line 12, after "judges", insert "covered by section 456 of title 28 of the United States Code."

Page 3, line 16, strike out "officers" and insert "officers."

Page 3, after line 25, insert:

"Sec. 6. Except as otherwise permitted in by this Act or by the laws relating to military personnel, only actual and necessary traveling expenses shall be allowed to any person holding employment or appointment under the United States."

Page 4, line 1, strike out "6" and insert "7."

Page 4, line 2, strike out "allowances," and insert "allowances and."

Page 4, lines 3 and 4, strike out "under the act of March 3, 1875 (5 U. S. C. 73)" and insert "under this act."

Page 4, line 7, strike out "7" and insert "8."

Page 4, lines 9, 10, and 11, strike out "President of the Senate, of Senators, Representatives, Delegates, and Resident Commissioners" and insert "or any Act providing for mileage allowances for the President of the Senate or Members of Congress."

Page 4, line 12, strike out "8" and insert "9."

Page 4, line 13, strike out all after "repealed." down to and including "expense;" in line 17 and insert "All Acts (other than

appropriation items for examination of estimates in the field), applicable to civilian officers or employees of the departments and establishments providing for reimbursement of actual travel or transportation expense."

Page 5, line 14, strike out "9" and insert "10."

Page 5, lines 14 and 15, strike out "the thirtieth day after the date of its enactment" and insert "July 1, 1949."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, have these amendments been approved by the members of the gentleman's committee?

Mr. KARSTEN. They have. The amendments are purely technical in nature and are for purposes of clarification.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain the amendments briefly?

Mr. KARSTEN. I shall be glad to do so.

Section 2: Members of Congress are defined as including Senators, Representatives, Delegates, and Resident Commissioners.

Section 3: The judges and justices to be excepted from the per diem provisions are further identified by a reference to section 456 of title 28 of the United States Code, which covers the subject for the members of the judiciary.

Section 6: This is a new section. It would limit reimbursement to persons holding civilian appointment or employment under the United States Government for official travel to only such actual and necessary expenses as are incurred except as otherwise provided by law. This proposed section substantially reenacts the act of March 3, 1875 (5 U. S. C. 73), which was repealed, evidently through a misunderstanding, by Public Law 773, approved June 25, 1948.

Section 7: This section appears as section 6 of the bill as passed by the House. Any changes in language are purely grammatical or are caused by the inclusion of section 6 above.

Section 8: This section appears as section 7 of the bill as passed by the House. The changes in language appear to be for purposes of clarification.

Section 9: This section appears as section 8 of the bill as passed by the House. Any changes are caused by the inclusion of section 6 above or appear to be for purposes of clarification.

Section 10: This section appears as section 9 in the bill as passed by the House. It would make the effective date July 1, 1949, rather than the thirtieth day after the date of enactment.

Mr. MARTIN of Massachusetts. These amendments would not increase the cost involved over the bill as passed by the House?

Mr. KARSTEN. The Senate amendments are simply clarifying and perfecting changes.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, is this the bill that increases the subsistence allowances by \$3 a day?

Mr. KARSTEN. It increases them from the present \$6 to a maximum of \$9.

Mr. HOFFMAN of Michigan. That is \$3 a day.

Mr. KARSTEN. There is no change in the rates, however.

Mr. HOFFMAN of Michigan. What does the gentleman mean by "no change in the rates"?

Mr. KARSTEN. There is no change in the rates as approved and passed by the House. I am referring of course to the amendments of the other body.

Mr. HOFFMAN of Michigan. The House gave them permission to increase the rates by \$3 a day?

Mr. KARSTEN. That is correct; yes.

Mr. HOFFMAN of Michigan. Economy measure.

Mr. CHURCH. Reserving the right to object, Mr. Speaker, will the gentleman explain whether or not in this measure you have included the House clerk hire, a subject that has been discussed a great deal.

Mr. KARSTEN. The subject of clerk hire is not covered within the provisions of this bill. This legislation has nothing whatever to do with the employment of clerks in the House of Representatives.

Mr. CHURCH. The gentleman is acquainted with the number of the other bill, is he not?

Mr. KARSTEN. I am not familiar with the number but I am familiar with the contents of the bill.

Mr. CHURCH. And the subject matter of that bill, H. R. 4583, is not included in this bill?

Mr. KARSTEN. It is not included in this bill at all.

Mr. LANHAM. Mr. Speaker, reserving the right to object, will the gentleman explain the text of the new section 6? I do not quite understand its effect.

Mr. KARSTEN. It would limit reimbursement to persons holding civilian appointment or employment under the United States Government for official travel to only such actual and necessary expenses as are incurred, except as otherwise provided by law. This provision substantially reenacts the act of March 3, 1875, which was repealed, evidently through a misunderstanding, by Public Law 773, approved June 25, 1948.

Mr. LANHAM. Would the effect of that be that each person would have to submit an itemized statement of his expenses?

Mr. KARSTEN. There would be no change in the present procedure governing the payment of per diem and mileage. The bill under consideration would not require any more itemization or accounting work than is necessary under the present law. Under the pending bill, the heads of the various agencies have discretion in determining per diem rates. This is the same procedure that is now in effect and, of course, it will be followed under the new bill.

Generally, the bill as passed by the other body is substantially the same as the measure which previously passed the House. The amounts of per diem and mileage are the same and those persons who would be included or excluded from its various provisions are the same. The changes that have been made by the other body are relatively technical and are in furtherance of the purposes of

the bill as passed by the House of Representatives.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. KARSTEN]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. RIVERS]?

There was no objection.

Mr. RIVERS. Mr. Speaker, the recent and unprecedentedly brief negotiations between Canadian and American representatives regarding the exchange of air rights between the two countries has resulted in substantially a complete sell-out of the Americans. The negotiations were carried on secretly so far as American carriers and the press were concerned. The American carriers' representative was sworn to secrecy so that he was unable to maintain contact with his principals. Across from him, however, sat the head of Canada's air carrier, Trans-Canada Airlines, who was permitted to act as one of the Canadian negotiators.

Even before these negotiations the United States had treated the Canadians generously. Canadian carriers had been permitted to exploit population centers in the United States totaling more than 20,000,000 in population, whereas American carriers served only 3,000,000 Canadians.

But this year the Canadians used the leverage afforded them by the expiration of American rights at Gander Airport in Newfoundland because of that province's recent inclusion in the Dominion of Canada. These rights are negligible in value. What American carriers take into and out of Gander is less important to Canada than the fees they pay for the use of that airport and which Canada could not afford to give up.

The Americans retained these rights, but the price paid the Canadians was a route from Montreal to New York, a second route from Montreal and Toronto to Tampa and on to Caribbean and South America, and a third route from Vancouver to Hawaii and Australasia. The Americans also acquired insignificant traffic rights in the small town of Edmonton in British Columbia and the right to nonstop Toronto-New York which they were already serving through Buffalo.

The grant of the Montreal-New York route alone is likely to cost American taxpayers more than \$1,000,000 in subsidy a year, of which the Civil Aeronautics Board has been advised. It has been flown for the last 19 years without a fatality by Colonial Airlines and over 60 percent of the revenues of that line are due to Montreal-New York traffic. These are now subjected to diversion by the

Canadians and the price paid by the Canadians for that valuable privilege is substantially nothing.

The Colonial, which boasts of best safety record of the Nation, now faces almost complete disaster by this deceitful stroke of the negotiator's pen. One responsible newspaper columnist has referred to the action of the negotiating parties, particularly Americans, as the most deceitful act he has seen in 41 years of reporting.

Nothing more shocking has occurred in the field of international aviation diplomacy than this. It forces Americans to look to the United States Senate for their rights and demand that valuable rights shall not be sold down the river by secret negotiations never ratified by any of its elected representatives. As the matter now stands, Colonial's stockholders may be deprived of a substantial investment without either notice or hearing and in violation of the spirit of the Constitution of the United States.

EXTENSION OF REMARKS

Mr. CELLER asked and was given permission to extend his remarks in the RECORD.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous material.

Mr. GRANT of Alabama asked and was given permission to extend his remarks in the RECORD and include a poem.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in two to include newspaper articles, and in the third a letter from a constituent.

Mr. HILL asked and was given permission to extend his remarks in the Appendix of the RECORD and include two petitions signed by constituents on the bill, H. R. 2026.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and to include extraneous matter.

Mr. RANKIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article that appeared in the May issue of the Reader's Digest on socialism in England.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

THE LATE MRS. JOHN H. KERR

Mr. RANKIN. Mr. Speaker, I am sure that I express the feeling of every Member of this House in extending sympathy to our distinguished colleague from North Carolina [Mr. KERR] in the loss of his loving wife who died in Richmond, Va., on last Saturday.

Mrs. Kerr was one of the most elegant ladies I have ever known, and I need not remind you that her distinguished hus-

[PUBLIC LAW 92—81ST CONGRESS]

[CHAPTER 185—1ST SESSION]

[H. R. 3005]

AN ACT

To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Travel Expense Act of 1949".

SEC. 2. When used in this Act—

(1) The term "departments and establishments" means (A) any executive department, independent commission, board, bureau, office, agency, or other establishment in the executive branch of the Government, including wholly owned Government corporations and the municipal government of the District of Columbia, and (B) any office, agency, or other establishment in the legislative branch of the Government (except Members of Congress and offices and committees of the Senate and the House of Representatives), and (C) any office, agency, or other establishment in the judicial branch of the Government.

(2) The term "subsistence" means lodging, meals, and other necessary expenses incidental to the personal sustenance or comfort of the traveler.

(3) The term "per diem allowance" means a daily flat rate of payment in lieu of actual expenses.

(4) The term "Members of Congress" means Senators, Representatives, Delegates, and Resident Commissioners.

SEC. 3. Civilian officers and employees of the departments and establishments (except justices and judges covered by section 456 of title 28 of the United States Code), while traveling on official business and away from their designated posts of duty, shall be allowed, in lieu of their actual expenses for subsistence and all fees or tips to porters and stewards, a per diem allowance to be prescribed by the department or establishment concerned, not to exceed the rate of \$9 within the limits of the continental United States and in case of travel beyond the limits of the continental United States not to exceed rates established by the Director of the Bureau of the Budget for the locality in which the travel is performed.

SEC. 4. Civilian officers or employees of departments and establishments or others rendering service to the Government shall, under regulations prescribed by the Director of the Bureau of the Budget, and whenever such mode of transportation is authorized or approved as more advantageous to the Government (except that no determination of advantage is required where payment on a mileage basis is limited to the cost of travel by common carrier, including per diem), be paid in lieu of actual expenses of transportation not to exceed 4 cents per mile for the use of privately owned motorcycles, or 7 cents

per mile for the use of privately owned automobiles or airplanes, when engaged on official business within or outside their designated posts of duty or places of service. In addition to the mileage allowances provided for in this section, there may be allowed reimbursement for the actual cost of ferry fares, and bridge, road, and tunnel tolls.

SEC. 5. The departments and establishments may advance, through the proper disbursing officers, to any person entitled to per diem or mileage allowances under this Act, such sums as may be deemed advisable considering the character and probable duration of the travel to be performed. Any sums so advanced and not used for allowable travel expense shall be recoverable by set-off of salary due, retirement credit, or otherwise, from the person to whom advanced, or his estate, by deduction from any amount due from the United States, or by such other legal method of recovery as may be necessary.

SEC. 6. Except as otherwise permitted by this Act or by the laws relating to military personnel, only actual and necessary traveling expenses shall be allowed to any person holding employment or appointment under the United States.

SEC. 7. The fixing and payment under this Act of travel allowances and of advances and recovery thereof, and reimbursement of travel expenses under this Act, shall be in accordance with regulations which shall be promulgated by the Director of the Bureau of the Budget.

SEC. 8. This Act shall not be construed to modify or repeal any Act providing for the traveling expenses of the President of the United States or any Act providing for mileage allowances for the President of the Senate or Members of Congress.

SEC. 9. (a) The Subsistence Expense Act of 1926, and the Auto Mileage Act of February 14, 1931, are repealed. All Acts (other than appropriation items for examination of estimates in the field), applicable to civilian officers or employees of the departments and establishments, providing for reimbursement of actual travel or transportation expense, and all other Acts, general or special, which are inconsistent with or in conflict with the provisions of this Act (except such Acts or parts of Acts as fix or permit rates higher than the maximum rates established under this Act) are hereby modified, but only to the extent of inconsistency or conflict with the provisions of this Act: *Provided, however,* That Acts making appropriations for the fiscal years 1949 and 1950 (whether approved before or after the approval of this Act) which authorize or permit, in either general or specific terms, the payment of travel or transportation expenses without regard to the Subsistence Expense Act of 1926, as amended, or the Standardized Government Travel Regulations, shall be construed to authorize payment of such expenses from the appropriation concerned without regard to this Act.

(b) Wherever provision is made in any law for the payment of per diem allowances to officers and employees in any branch or establishment of the Government not covered by this Act, in accordance with the rates provided in the Subsistence Expense Act of 1926, such law is hereby amended to provide for payment at the rates prescribed in or under this Act.

SEC. 10. This Act shall take effect on July 1, 1949.

Approved June 9, 1949.

